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More Reportage on Bilateral Talks Held in Osaka

ROK, U.S. Hold Meeting

OW1911131495 Tokyo KYODO in English 1220 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — South Korea and the United States agreed Sunday [19 November] to step up contacts to help formulate a common strategy toward North Korea, especially on the issue of any U.S. attempt to improve its relations with North Korea.

South Korean President Kim Yong-sam emphasized in a meeting with U.S. Vice President Al Gore at an Osaka hotel that the Seoul-Washington alliance should be strengthened to deal with any eventuality that could arise from possible provocative action by Pyongyang, a presidential spokesman for Kim said.

Kim, who arrived in Osaka on Thursday for the Asia-Pacific Economic Cooperation (APEC) forum informal summit, told Gore that South Korea is pursuing national reunification in a peaceful and gradual manner and is thus making efforts to promote dialogue and exchange with the North.

The South Korean president also said North Korea might resort to provocation due to its serious domestic difficulties and that bilateral preparations for such a possible action should be made.

The two leaders also shared a common view that South Korea, Japan and the U.S. should make efforts to forge a united stance in dealing with the North Korean situation, particularly the North's nuclear program, the spokesman said.

Kim and Gore concurred in their favorable assessment of friendly relations between the two countries based on security ties that have been maintained and in such fields as economics, trade and culture.

Under the terms of a landmark nuclear accord, North Korea and the U.S. agreed to exchange a liaison office in each other's capital, and the North pledged to freeze its nuclear program which has been suspected of trying to produce nuclear arms.

South Korea has maintained that U.S. moves toward improving relations with North Korea should be made in such a manner to avoid undermining South Korea's efforts to promote inter-Korean relations.

Wu Gives Kantor Liberalization Plan

OW1811145895 Tokyo KYODO in English 1436 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — China on Saturday [18 November] handed the United States a "road map" on tariff reduction and the removal of trade impediments needed to secure its admission to the world trade organization, a senior U.S. Official said.

Chinese Foreign Trade and Economic Cooperation Minister Wu Yi gave the plan to U.S. Trade Representative Mickey Kantor when they met in Osaka.

They and other ministers from the 18-member Asia-Pacific Economic Cooperation (APEC) forum concluded a two-day ministerial meeting in this city Friday.

The plan did not include concrete figures such as the percentage of tariff cutbacks, the official said.

Jiang, Ramos Affirm Ties

OW1811125295 Tokyo KYODO in English 1127 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Chinese President Jiang Zemin and Philippine President Fidel Ramos on Saturday [18 November] affirmed their countries' friendly bilateral ties and said they were encouraged by the "reasonable and peaceful" code-of-conduct agreement over the disputed Spratly Islands, signed in August.

A Philippine official quoted Jiang as telling Ramos that if contradictions occur between the two countries, they should be able to resolve them, guided by the principles of mutual understanding, mutual trust, mutual benefit and long-term consideration.

The two leaders also agreed to increase contacts between officials, intensify bilateral relations and increase bilateral annual trade from the current 800 million U.S. dollars to one billion dollars, said Philippine Foreign Undersecretary Rodolfo Severino.

Relations between the two countries were strained after Ramos accused China in February of building military installations on a Philippine-claimed shoal in the Spratlys. China says the structures are only shelters for fishermen.

In August, however, vice-ministerial level talks produced a code of conduct that calls for peaceful approaches to the territorial problem, and the maintenance of the status quo in the Spratlys, which are claimed in whole or in part by China, the Philippines, Vietnam, Taiwan, Brunei and Malaysia.

During the 45-minute meeting, Ramos also invited Jiang to visit the Philippines as soon as possible to see the changes that have taken place since the Chinese leader's visit to the Philippines in the 1980s, Severino said.

Ramos was quoted as telling Jiang that the Philippines was counting on the continued hospitable treatment of the 120,000 Filipino workers in Hong Kong when the territory reverts to China in 1997.

To this, Severino said, Jiang replied in English: "No problem."

Ramos, Jiang Discuss Hong Kong

BK2011092295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 20 Nov 95

[FBIS Translated Text] Philippine contract workers in Hong Kong have nothing to fear in light of the impending reversion of the British Colony to China in 1997. This assurance was given by Chinese President Jiang Zemin to President Fidel Ramos during their one-on-one meeting in Japan. According to Ramos, Jiang assured him that Philippine workers in Hong Kong will remain even if the British colony reverts to China. Regarding the dispute over the Spratly Islands, Ramos and Jiang agreed not to use force and to pursue peaceful dialogue.

Ramos: APEC Basic Aim 'Economic Cooperation'

OW2011142795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Nov 95 Morning Edition p 1

[Report on an interview with Philippine President Fidel Ramos by Kenjiro Horikawa, managing director of the Osaka head office of NIHON KEIZAI SHIMBUN, in Osaka on 18 November]

[FBIS Translated Text] President Ramos of the Philippines, host nation for next year's Asia Pacific Economic Cooperation (APEC) forum, granted an interview to Kenjiro Horikawa, managing director of the Osaka head office of NIHON KEIZAI SHIMBUN, in Osaka on 18 November. In the interview, with regard to U.S. State Secretary Perry's remarks on the need to discuss regional security in APEC, President Ramos said, "APEC's basic aim is economic cooperation," thus clarifying he has no intention of discussing security issues at next year's APEC forum. He indicated his view that security issues in the Asia-Pacific region should be dealt with in the ASEAN Regional Forum (ARF) established in 1994. He added that promoting trade and investment liberalization in the region and deepening the mutual dependence among APEC members will lead to stability in the region.

Asked about the possible participation of Vietnam, India, Russia, and Peru in APEC and Taiwan President Li's attendance at the meeting in the Philippines, the president said: "These matters cannot be decided by one nation. The agreement of all member nations and regions is needed." In this way, he indicated a cautious position that the Philippines Government will not positively support their participation. Although APEC has started working out conditions for obtaining membership, it is uncertain whether new members will be announced at the Manila meeting.

As for the adoption of the Action Agenda at the ministerial conference on 17 November, President Ramos rated the agenda highly, saying "It is remarkable that 18 nations and regions, whose economic conditions vary, reached agreement." He then stressed that "the Manila conference will be a turning point for translating ideas and plans (accumulated since the establishment of APEC) into action."

Touching on his talks with Chinese President Jiang Zemin on 18 November, the President said that Jiang Zemin and he reconfirmed that the two nations will seek to peacefully settle the issue of the Spratly Islands based on a "code-of-conduct agreement" reached at the China-Philippines vice ministerial talks in August.

'Source' on Taiwan's APEC 'Secret Strategy'

OW1911080995 Tokyo MAINICHI SHIMBUN in Japanese 18 Nov 95 Morning Edition p 3

[FBIS Translated Text] For Taiwan, the APEC [Asia-Pacific Economic Cooperation] forum is an important venue for seeking international recognition. It sent one of its top business leaders, Ku Chen-fu, chairman of the Straits Exchange Foundation, to the present APEC meeting, giving him the position of a member of the Council for Economic Planning and Development (equivalent to an economic minister).

According to a Taiwanese source, a secret strategy is involved in this. The original plan was to have a "U.S.-Taiwan summit meeting" in Tokyo, since U.S. President Bill Clinton was scheduled to go [from Osaka] to Tokyo for a meeting with Prime Minister Tomiichi Murayama.

Ku's official itinerary says that he "arrives in Osaka on the evening of 17 November, and leaves Japan on 20 November." Working- level officials have allegedly been launching a continuous offensive against U.S. officials for Ku to meet with Clinton in Tokyo.

This strategy fell apart due to Clinton's cancellation of his visit to Japan. The Taiwan source expressed regret, saying: "Ku, being a top Taiwanese business leader, can meet with top U.S. officials in the United States; but if he meets the U.S. President in Japan, this would be significant."

Furthermore, Taiwan plans to send its president to the APEC Manila forum next year after it elects a new president, by direct election for the first time, next March as part of its democratization process. Minister of Economic Affairs Chiang Ping- kun, in separate meetings with APEC members from Southeast Asia, has also come forward with plans for investment and financial cooperation. Taiwan is expected to become increasingly active diplomatically, using APEC as a stepping stone.

Taiwan's Li Not Invited to 1996 APEC Summit

OW1911035295 Tokyo KYODO in English 0321 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Philippine President Fidel Ramos has turned down a request from Taiwan to invite President Li Teng-hui to next year's Asia-Pacific summit in the Philippines, Foreign Secretary Domingo Siazon said Sunday [19 November].

Ramos explained to Ku Chen-fu, Taiwan's representative to Sunday's summit of the Asia-Pacific Economic Cooperation (APEC) forum, that invitations to APEC summits are decided by consensus, Siazon said.

Chinese President Jiang Zemin asked Ramos during a bilateral meeting Saturday not to invite Li to next year's summit in Subic, northwest of Manila, and Ramos replied he would abide by the consensus understanding, Siazon said.

China insists on limiting Taipei's representation at APEC meetings to the ministerial level, maintaining that Taiwan is part of China.

Ku, who represents Taipei in the current Osaka meeting, is a member of the Taiwan cabinet's Council for Economic Planning and Development and also head of Taiwan's semiofficial Straits Exchange Foundation for talks with the mainland.

Li, as in the two previous APEC summits, was not invited to Osaka due to opposition from China.

Countries with diplomatic ties with China, including the Philippines, follow a one-China policy which forbids official contacts but allows cultural and economic exchanges with Taiwan.

Mahathir Views Flexibility of 'Action Agenda'

OW1811134495 Tokyo KYODO in English 1243 GMT 18 Nov 95

[By Siti Rahil]

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Malaysian Prime Minister Mahathir Mohamed on Saturday [18 November] voiced appreciation that the Osaka "action agenda" to be adopted by leaders of the Asia-Pacific economic cooperation (APEC) forum includes the flexibility principle.

"This is more realistic...it seems that APEC's position this time is more in line with our position," Mahathir, speaking to Malaysian reporters, said of the action agenda for trade and investment liberalization and facilitation, finalized by APEC's trade and foreign ministers for the leaders to announce at Sunday's informal summit.

Mahathir, in Osaka to attend the summit, said it would be unrealistic to expect APEC members to open their markets completely because this would create unfair competition between APEC's economically diverse members.

"Competition not only requires a level playing field but it also depends on the contestants. If one contestant is a giant and the other contestant is a midget, how can we fight?" He said, pointing out that countries like Malaysia should not be expected to compete with the economic superpowers such as the United States and Japan.

Giving an example, he said Malaysia's banking sector would end up being controlled by the more powerful banks from the industrialized countries if the government opened up the sector at the same pace and extent as such countries.

Mahathir also flatly rejected Japan's suggestion that Australia and New Zealand be included in the East Asian Economic Caucus (EAEC), his idea which has been adopted as a proposal of the Association of Southeast Asian Nations (ASEAN).

"No, no, not at this moment," he said. "I know they are making every effort to be 'Asianized' but being Asian is not a question of ethnicity, but much more a question of culture."

"Asians don't go around telling other people, 'you are not democratic enough.' We want to see that kind of culture — respect for other people, and not having double standards," Mahathir said.

If Australia and New Zealand can behave like Asians instead of just making declarations, he said, "then we are ready to accept them."

Referring to U.S. opposition to the EAEC, Mahathir said this is an example of Western double standards on democracy and equality.

"EAEC is only a consultative forum. If we are denied the right to talk to each other, where is the equality and democracy that they have been promoting?"

The EAEC, which is supposed to include seven ASEAN members plus Japan, China and South Korea, has not been launched because Japan, fearful of antagonizing the U.S., has been keeping its distance from the EAEC even though it does not really think it is a bad idea.

Australia Announces APEC Business Travel Card

BK1811125695 Melbourne Radio Australia in English 1100 GMT 18 Nov 95

[FBIS Transcribed Text] Australia is to introduce a special entry card for business people from the Asia-Pacific. Graeme Dobell reports that the business travel card has been announced on the eve of the APEC [Asia-Pacific Economic Cooperation] Summit in Osaka.

[Begin Dobell recording] Australia says it will introduce a special business card for accredited business people from the other 17 member economies of APEC. The card will be used instead of a visa.

The statement said more than 200,000 business people visited Australia last year and the number is rising rapidly. Australia would also simplify rules for long-term temporary residence for executives. The statement said the business travel card would be a symbol of APEC's potential to build bridges in the Asia-Pacific. [end recording]

Banhan: Flexible Attitude Important in APEC

OW1811132295 Tokyo KYODO in English 0958 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Thai Prime Minister Banhan Sinlapa-acha repeated Thailand's position Saturday [18 November] that voluntarism and flexibility are important in the Asia-Pacific Economic Cooperation (APEC) forum process, Japanese officials said.

In a meeting with Japanese Prime Minister Tomiichi Murayama, Banhan said that while basic principles should be abided by, APEC members should discuss specifics with flexibility.

The joint ministerial statement released Friday states that the action agenda, a blueprint for liberalizing trade and investment in the Asia-Pacific region by the year 2020, "reflected the voluntary commitment and the political determination of each member economy to achieve the objectives set by the economic leaders at Bogor."

Less developed countries are said to have urged the inclusion of the word "voluntary" in the statement during the ministerial meetings while industrialized countries were against it.

Murayama sought Thailand's cooperation in having the Osaka declaration adopted by the APEC leaders Sunday, saying it is a significant political declaration which confirms the spirit of the action agenda, the officials said.

Also during the talks, Banhan called for Japan's cooperation in successfully holding the first-ever Asia-Europe summit in Bangkok in March.

APEC and the Asia-Europe summit will both help to enhance cooperation among the participants and would in turn contribute to world peace, the Thai prime minister was quoted as saying.

The members of the Association of Southeast Asian Nations plus Japan, South Korea and China are to represent the Asian side at the summit with the European Union countries.

Chilean President Views APEC as Key to Markets

OW1811131395 Tokyo KYODO in English 1032 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Chilean President Eduardo Frei expressed confidence Saturday [18 November] that his country's participation in the Asia-Pacific Economic Cooperation (APEC) forum will help boost the domestic economy and Chile's presence in a booming Asian market.

Noting that foreign trade is one of the pillars of economic development, Frei said the country's formal entry into APEC at last year's APEC meeting in Bogor, Indonesia, has given the Chileans a vision for the future.

Speaking in an interview with KYODO NEWS SERVICE, Frei said an increasing number of Asian companies, many from the financial services sector, want to form joint ventures with their Chilean counterparts to tap the Latin American market, where Chile is well represented with an overall investment of 5 billion dollars.

Frei, who is in Osaka to attend Sunday's informal summit of APEC leaders, said that Singapore is very interested in setting up a trade bureau in the capital of Santiago as a regional base.

Some 55 percent of Chile's international trade is with the other 17 APEC economies while 80 percent of foreign investment in Chile is from member nations, he said. "These figures underscore the significance of APEC for us," Frei added.

Noting that Chile is a relatively small economy within APEC, Frei said it will be a challenge for his country to develop its potential in the global market.

Frei, in Japan for the second time since being elected president in December 1993 following a visit to Tokyo after the Bogor summit last year, is being accompanied by a large business delegation underlining his emphasis on closer economic ties with Asia.

After the Osaka summit he is slated to visit the Philippines, Malaysia and China. Stressing that he will be the first Chilean president to tour the Philippines, Frei said he sees an enormous business potential there.

Canada's Chretien Stresses Importance of Trade

OW1811130995 Tokyo KYODO in English
1115 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Canadian Prime Minister Jean Chretien on Saturday [18 November] stressed the importance of his country's trade with other members in the 18-member Asia-Pacific Economic Cooperation (APEC) forum region.

"It's very important...that in the past five years we have managed to increase very fast our trade in the Pacific. Our opportunities are there," he told the press in Osaka, where he will join an unofficial APEC summit plenum Sunday.

"The exchanges with the Pacific are very fast," he said, adding that Canadiian trade with the Pacific region is now 50 percent more than that with the European market.

Chretien met Chinese President Jiang Zemin earlier in the afternoon and requested "good governing " of human rights in general terms in Hong Kong, which will be returned from British rule to Beijing, on behalf of Canadian nationals living there, Canadian senior officials said.

Jiang responded by expressing "appreciation" for Chretien's interest in Chinese issues, they said.

Opening of 19 Nov Osaka APEC Summit Reported

OW1911010295 Tokyo KYODO in English
0052 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Asia-Pacific leaders entered substantive talks Sunday [19 November] for this year's summit of the Asia-Pacific Economic Cooperation (APEC) forum for achieving the Bogor commitment to free the world's fastest-growing area by the early 21st century.

Japanese Prime Minister Tomiichi Murayama hosted the third informal APEC meeting in Osaka, the first of its kind to be held in this western Japan commercial center. The meeting was preceded by Saturday evening's banquet sponsored by Murayama and preliminary talks for the summit.

Murayama and his 17 APEC colleagues got together at a government guesthouse in a medieval castle, Osaka castle.

The leaders will endorse the action agenda, a road map for achieving the Bogor Declaration for eliminating all impediments to trade and investment in the Asia-Pacific rim, the area generating nearly half of global trade.

At the end of the summit, they will release the Osaka Declaration, reconfirmation of an APEC commitment to take a swift action for realizing goals envisioned during their meeting in Bogor, Indonesia, last year.

But the declaration is expected to contain the idea of "voluntarism," apparently taking into consideration desire among less developed APEC economies to make their trade-freeing pace in line with economic development stages.

The budget showdown with Congress forced U.S. President Bill Clinton to abandon his trip to Japan for the summit and a meeting with Murayama.

Vice President Al Gore is joining other APEC leaders in place of Clinton.

The action agenda is expected to call on the APEC members to provide plans for specific trade-freeing actions at next year's APEC meeting in Manila, the Philippines, for implementation in January 1997.

Leaders from each member are bringing so-called "initial actions" to Osaka as a signal of their trade-liberalizing commitment.

Such actions to be taken by Japan are expected to include tariff reductions for 700 industrial goods, deregulation on product standards for international harmonization and simplified procedures on quarantine, APEC sources said.

Action Agenda Blueprint Adopted

OW1911075295 Tokyo KYODO in English
0720 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — The action agenda, a blueprint for translating trade-freeing commitments of the Asia-Pacific Economic Cooperation (APEC) forum into reality, was adopted Sunday [19 November] to call for APEC members to work out action plans in time for the APEC summit in Manila next year for implementation from January 1997.

Leaders from APEC's 18 economies endorsed the action agenda, a major task for this year's APEC round hosted by Japan, during their third informal gathering in Osaka Sunday.

The agenda is to serve as a road map for achieving the Bogor pledge made at last year's Indonesian APEC summit to remove all trade and investment barriers in the Asia-Pacific rim by 2010 for industrialized economies and 2020 for less developed economies.

The agenda said APEC action plans are composed of three major areas — trade and investment liberalization, their facilitation, and economic and technical cooperation within the region.

In implementing steps under the first two categories, the action agenda emphasized the need for taking into account two concepts — voluntary actions and collective actions.

The distinction reflects varied conditions in APEC member economies.

Advanced members like the United States and Australia seek compulsory and collective action under the APEC process, while China and other less developed members want to proceed with trade liberalization at their own pace.

The action agenda contains nine general principles as guidelines for achieving the Bogor vision.

Of the nine principles, consensus on "comprehensiveness," "flexibility," "comparability" and "nondiscrimination" was struck just before the start Wednesday of an APEC ministerial meeting, delayed by sharp divisions between developed and less developed economies.

Debate on the comprehensiveness principle centered on whether or not APEC accords should cover all industries, including the sensitive agricultural sector, without discrimination.

The feud was resolved with members agreeing to introduce another principle, "flexibility," to reflect the strong desire of Japan and three other members — South Korea, China and Taiwan — to take into account special considerations in farm trade.

The dispute over "comparability" and "nondiscrimination," mainly between the U.S. and China, was settled with the ambiguous word, "endeavor."

The agenda addresses specific actions in 15 areas related to trade liberalization, covering tariffs, nontariff measures, services and investment.

Connected to trade facilitation are standards and conformance, customs procedures, intellectual property rights, competition policy, government procurement, deregulation, rules of origin, dispute mediation, personnel mobility, implementation of Uruguay Round accords, and information gathering and analysis.

The section on competition policy does not make reference to antidumping duties. China had pushed strongly for inclusion of a term rejecting antidumping duties.

The action agenda calls for a regular review of implementation, with plans subject to modification depending on the review.

In the action agenda, the 18 APEC economies agreed to cooperate in 13 areas as a way to enhance intra-APEC economic and technical cooperation.

They include human resources development, industrial science and technology, small and medium enterprises, economic infrastructure and energy.

Others are transportation, telecommunications and information, tourism, trade and investment data, trade promotion, marine resource conservation, fisheries and agricultural technology.

'Action Agenda' Outlined

SK1911093095 Seoul YONHAP in English 0751 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 (YONHAP) — Wrapping up their third Asia Pacific Economic Cooperation forum here, APEC leaders adopted "the action agenda" for implementing the 1994 Bogor Declaration for the liberalization and facilitation of trade and investment in the region, through their Osaka Declaration on Sunday.

Prior to this, the APEC ministerial meeting had mapped out the action agenda, and proposed it to the APEC summit meeting for endorsement.

The action agenda includes nine general principles, which will be applied to the entire APEC liberalization and facilitation process to achieve the long-term goal of free and open trade and investment by the year 2010 in the case of industrialized economies and the year 2020 in the case of developing economies.

The nine principles are as follows:

1. Comprehensiveness

The APEC liberalization and facilitation process will be comprehensive, addressing all impediments to achieving the long-term goal of free and open trade and investment.

2. WTO [World Trade Organization]-consistency

The liberalization and facilitation measures undertaken in the context of the APEC action agenda will be WTO-consistent.

3. Comparability

APEC economies will endeavor to ensure the overall comparability of their trade and investment liberalization and facilitation, taking into account the general level of liberalization and facilitation already achieved by each APEC economy.

4. Non-discrimination

APEC economies will apply or endeavor to apply the principle of non-discrimination between and among them in the process of liberalization and facilitation of trade and investment.

The outcome of trade and investment liberalization in the Asia- Pacific region will be the actual reduction of barriers not only among APEC economies but also between APEC economies and non-APEC economies.

5. Transparency

Each APEC economy will ensure transparency of its respective laws, regulations and administrative procedures which affect the flow of goods, services and capitals among APEC economies in order to create and maintain an open and predictable trade and investment environment in the region.

6. Standstill

Each APEC economy will endeavor to refrain from using measures which would have the effect of increasing levels of protection, thereby ensuring a steady and progressive trade and investment liberalization and facilitation process.

7. Simultaneous start, continuous process and differentiated time tables

APEC economies will begin simultaneously and without delay the process of liberalization, facilitation and cooperation with each member economy contributing continuously and significantly to achieve the long-term goal of free and open trade and investment.

8. Flexibility

Considering the different levels of economic development among the APEC economies and the diverse circumstances in each economy, flexibility will be available in dealing with issues arising from such circumstances in the liberalization and facilitation process.

9. Cooperation

Economic and technical cooperation contributing to liberalization and facilitation will be actively pursued.

'Initial Action' Plans Announced

OW1911082195 Tokyo KYODO in English 0755 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Leaders of the 18-member Asia-Pacific Economic Cooperation (APEC) forum announced their "initial action" packages for the implementation of regional free trade and investment goals at an unofficial APEC summit meeting Sunday [19 November].

Japanese Prime Minister Tomiichi Murayama pledged as Tokyo's "initial action" to cut tariffs on 697 items including textiles, chemical products, and steel and nonferrous metals beginning in April 1996, about two years ahead of the date agreed under the Uruguay Round trade talks of the General Agreement on Tariffs and Trade (GATT).

Japan imports these items mainly from the APEC region and the tariff reductions will favorably affect imports worth nearly 10 billion dollars, according to the "initial action" text.

Murayama also newly announced 50 deregulatory measures to improve foreign business access to the Japanese market, including easing of the criteria on multiple-visa issuance for temporary business visitors from within the region, simplification of procedures for determining the origin of products, and reviewing of regulations on production and sale of vitamins.

Japan will also review and revise by March 1996 its deregulation package unveiled in March this year, in which 1,091 deregulatory measures are included, taking into account requests from interested APEC economies and other foreign parties.

The "initial action" packages lay out the first phase of each APEC member's free trade and liberalization goals and demonstrate the leaders' commitment to the liberalization principles.

On the same day, the APEC leaders released the "action agenda" to map out their midterm and long-term plans to achieve free trade and investment in the region by 2010 for developed members and 2020 for developing members.

U.S. Vice President Al Gore carried his country's "initial action" plan to fully implement at the beginning of 1996 the Uruguay Round commitments to streamline government procurement procedures, as well as to improve trade procedures in a way trade-related intellectual property rights can be protected.

The United States has widely reviewed its government procurement measures to release domestic and foreign bidders from complicated procedures, according to the initial commitment.

Chinese President Jiang Zemin vowed to lower tariffs on more than 4,000 tariff lines in 1996 by at least 30 percent in the average simple tariff.

Beijing will also eliminate the quota, licensing and other import control measures on about 170 tariff lines, accounting for 30 percent of the commodities now subject to import quotas and licensing requirements.

The Chinese Government will designate Shanghai and other cities in 1996 as "pilot bases" to set up joint ventures engaged in foreign trade, extend the trial-basis establishment of joint ventures on the retail businesses, and incorporate foreign exchange transactions of foreign-invested enterprises in the banking system of foreign exchange procurements and sales.

South Korean President Kim Yong-sam pledged to liberalize investment in 89 business sectors, including the trust business and construction at the beginning of 1996, 38 other business sectors including railway freighter at the beginning of 1997 and an additional 21 business sectors between 1998 and 2000, which means 97 percent liberalization of investment.

Seoul will also scrap tariffs on 971 items and adjust those on another 2,100 items in five to 15 years.

Australian Prime Minister Paul Keating vowed to cut tariffs of some industrial products at the beginning of 1998 and some farm products at the beginning of 1999 to the level committed under the Uruguay Round, a year prior to the dates promised under the Uruguay Round. These early cutbacks will be applied to 2,800 items.

Australia will also introduce full and open competition to the telecommunications sector on July 1, 1997, and simplify business visa procedures in mid-1996.

'Initial Actions' Approved

OW1911085095 Tokyo KYODO in English
0834 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — The following is the summary of initial actions proposed by the 18 Asia-Pacific Economic Cooperation (APEC) forum member economies at the Osaka summit on Sunday [19 November]:

— Japan will reduce tariffs on 697 industrial items including textiles, chemicals and steel, effective April 1996, nearly two years earlier than the original target date of August 1998 pledged at the Uruguay Round of trade talks, cut preferential tariffs on 55 agricultural and fishery products by April 1995, and take 50 deregulation measures for better foreign access to the Japanese market, such as relaxation of visa criteria for APEC business travelers and simplification of auto inspection procedures.

— Australia will move up by one year its schedule for tariff cuts on 2,800 items it promised at the Uruguay Round, liberalize a broader scope of services, deregulate telecommunications and visa requirements.

— Brunei will lower tariffs on 688 items and privatize the telecom and transport sectors.

— Canada will reduce tariffs on 1,500 industrial products, expand the list of preferential tariffs and lower their rates, and deregulate the telecom and civil aviation sectors.

— Chile will pare tariffs and liberalize services ahead of the schedule set at the Uruguay Round, add to the list of planned abolition of subsidies and deregulate the telecom and financial sectors.

— China will cut tariffs on 4,000 items, provide joint ventures and foreign-owned banks with access to a wider range of operations, reduce the number of products subject to import inspections, and reinforce the protection of intellectual property rights.

— Hong Kong will boost the number of tariff-free items under the Uruguay Round accord, move up implementation of the round's intellectual property pact and decontrol the telecom and financial sectors.

— Indonesia will radically cut tariffs by 2003 and abolish nontariff barriers faster than required by the Uruguay Round accord.

— South Korea will lower tariffs on automobiles, while deregulating transportation, food inspections and customs procedures.

— Malaysia will reduce tariffs on 2,317 items ahead of the Uruguay Round-set timetable, while easing regulations on import procedures as well as the finance and telecom sectors.

— Mexico will ensure free foreign access to its rail transport, aviation, satellite broadcasting, gas and financial services markets.

— New Zealand will bring its maximum allowable tariff rate to 15 percent or below by 1998 and implement the Uruguay Round agreement on intellectual property rights ahead of schedule.

— Papua New Guinea, which is negotiating to join the World Trade Organization, will cut tariffs and knock down nontariff barriers, while deregulating energy, foreign investment and public transport.

— The Philippines will lower all tariffs to 5 percent by 2004 and ease regulations on foreign investment as well as telecom and transportation sectors.

— Singapore will cut tariffs by wider margins than it promised at the Uruguay Round, implement a set of Uruguay Round agreements ahead of schedule, and decontrol the telecom, finance and power utility sectors.

— Taiwan will reduce tariffs on 700 or more items, while easing regulations on foreign investment, transport, finance and import permits.

— Thailand will move up its schedule for tariff cuts and deregulate foreign investment and the telecom sector.

— The United States will relax customs procedures and export regulations.

Plans To Liberalize Trade Viewed

BK2011040595 Bangkok BANGKOK POST in English 20 Nov 95 p 1, 3

[Report by Peter Mytri Ungphakon, Somphon Thapphanachai, Nutsara Thaithawat, and Wichit Sirithawiphon]

[FBIS Transcribed Text] Osaka—Leaders of the 18 Asia Pacific Economic Co-operation [APEC] countries adopted plans yesterday to take a dual path towards liberalisation within the group and globally.

Japanese Prime Minister Tomiichi Murayama, who hosted the third informal summit, said the meeting in Osaka was of historic significance in that it moved APEC from vision to action.

Several leaders and ministers, including Australian Prime Minister Paul Keating and Deputy Prime Minister Amnuai Wirawan, described APEC's liberalisation plans as unique.

This is because the lowered trade barriers prescribed by APEC's new Action Agenda are also to be made available to non-members, partly in the hope that others, such as the European Union, would reciprocate.

Some officials say, however, there is a tacit understanding that initially tariff reductions could be focused on goods traded mainly within APEC rather than those that APEC countries buy from outside.

Preparing an APEC position for first ministerial meeting of the World Trade Organisation in Singapore in December next year is one task aimed at global liberalisation that APEC ministers have set their officials over the coming months.

APEC members have also been taking the opportunity of such a large gathering of trade ministers to discuss other regional, cross- regional and global links.

Dr Amnuai was involved in talks between ASEAN ministers and United States Trade Representative Mickey Kantor over a dialogue between the ASEAN Free Trade Area [AFTA] and the North American Free Trade Agreement [NAFTA].

Dr Amnuai also hosted a consultation lunch with other Asian trade ministers on next March's summit of Asian and EU leaders.

He and several other ministers in Osaka will travel almost immediately after the APEC meeting for ministerial consultations in Canada this week about the WTO meeting.

APEC's resident skeptic Malaysian Prime Minister Mahathir Mohamed, insisted after the summit his country continued to have reservations about the Bogor Declaration issued at last year's summit in Indonesia.

But he was not issuing a document expressing such reservations because Malaysia's concern that nothing agreed in APEC should be binding is covered in this year's declaration and other official documents. He said the wording covered similar reservations among a number of developing country members.

As expected, the leaders adopted an Action Agenda that would serve as terms of reference for drafting liberalisation plans due to start from January 1997.

They also announced their own countries' "down payments" of liberalisation actions taken this year or scheduled in the near future. These are described as a token of good intention for the larger liberalisation tasks ahead.

China's offer aroused considerable interest because it promised tariff cuts on 4,000 products by an average of 30 percent from 1996. It was not clear how much impact this would have on trade because details were not available to determine whether the cuts were to be on products that are heavily traded or not.

A Chinese official was quoted as saying Beijing also planned to bring forward the date for full convertibility of its renminbi currency for trade transactions, possibly to early next year.

Difficulty in converting the renminbi is one important obstacle facing the establishment of regular economic and trade ties with the rest of the world.

The leaders also agreed to hold a trade ministers' meeting next year before the WTO's first ministerial meeting in Singapore.

One of the objectives would be to take APEC's liberalisation package to Singapore as an incentive for other countries.

Philippines International Trade Minister Rizalino Navarro also proposed to fellow ASEAN ministers and to Mr Kantor the additional trade ministers meeting could be a mid-year review of progress in drafting individual countries' liberalisation and cooperation action plans.

Manila, the host of next year's meetings, is proposing monthly meetings of APEC senior officials to cope with the many details to be contained in the plans.

The objective is to make commitments in 15 areas of trade and investment liberalisation and 13 areas of economic and technical cooperation. Proposed actions would be unilateral, joint actions by APEC members, and multilateral actions involving the rest of the world, such as moves under the WTO.

The Action Agenda requires packages prepared by APEC members to be "comparable" with greater details set out for the first years and broader targets outlined for years approaching the deadlines 2010 for industrial countries, and 2020 for developing countries.

One of the most difficult tasks facing the Philippines will be to manage the talks in a way that allows comparison between members' plans without involving outright negotiation. Smaller countries, particularly those in Asia, are unwilling to negotiate because they do not want to be pressured by the greater bargaining power of the larger economies such as the US.

According to a Japanese official, among the topics the leaders discussed were: a desire to prevent APEC becoming an inward-looking trade bloc; the need for an APEC dispute mediation service, the problems of the fluctuating exchange rates; the need to narrow inequalities in the region calls for the Action Agenda to be followed closely; proposals for APEC to link economics energy and food security; the need for APEC to look at environmental issues, and the prospects for greater business participation in APEC affairs.

Leaders Take 'Irreversible' Step

BK2011044995 Bangkok THE NATION in English 20 Nov 95 p A1, A6

[Report by Chirawat Na Thalang and Yindi Loetcharoenchok]

[FBIS Transcribed Excerpt] Osaka — ASEAN Economic Ministers have proposed to United States Trade Representative Mickey Kantor that they should have a dialogue on the linkage between the ASEAN Free Trade Area and the North American Free Trade Agreement.

Meanwhile, the Asia-Pacific Economic Cooperation summit ended on a ringing note and with new credibility yesterday when China upstaged its APEC partners by announcing the biggest liberalization of its markets in 16 years. [passage omitted]

The leaders of 18 economies declared at the conclusion of the summit they had made an irreversible step in their mission to forge free trade in the Asia-Pacific unveiling an action plan backed by promises to lower national barriers.

China and Indonesia made big apparent concessions, while the United States made none. Malaysia, cast as something of a renegade, reaffirmed it was not bound by the target in any case.

The forum announced a two-pronged plan for realizing its year-old vision of achieving unfettered commerce and investment by 2020. It drew up:

— A 78-page "Action Agenda," styled as a road map with target dates for lowering tariffs, eliminating non-tariff barriers, cutting through red tape and making trading regimes more transparent.

— A list of national, voluntary pledges for lowering trade hurdles over the next year, as a sign of good faith. More detailed commitments, over the longer term, will be needed from national leaders at next year's summit in the Philippines.

After days of pious vows by APEC leaders to turn their region into a free trade zone, China put its money where its mouth is with plans to cut tariffs on imports to its market of 1.2 billion people by 30 per cent from 1996.

Other nations, most with far freer markets than China, were reduced mainly to announcing steps they had already taken.

US Vice-President Al Gore called the Chinese package "positive" and other leaders applauded it.

For Beijing, often a target of criticism on trade policies, the Osaka summit was a coming-out party where it took a major new step towards joining the world's free traders. The tariff cuts and other measures were the biggest opening of China's markets since the communist nation started capitalist-style reforms in 1979.

Meanwhile, leaders of the 18-member APEC agreed at their summit yesterday to let their economic ministers meet in the middle of next year before the first ministerial meeting of the World Trade Organization around September.

Japanese Prime Minister Tomiichi Murayama made the announcement at the end of the third informal APEC summit. He said other members including the United States have expressed their support for the proposal.

Murayama said the leaders decided to instruct "the officials concerned to work out the timing, modality and other details for this meeting, keeping in mind that the APEC ministerial meeting and the economic leader's (summit) meeting will be held next autumn in the Philippines."

A press statement released by the Thai delegation said APEC wanted to formulate a common stance for the WTO ministerial meeting late next year.

The decision on the issue reflected APEC leaders' attempts to multilateralize APEC's objective on trade and investment liberalization. The issue was one of several agreements made at the summit.

Several APEC leaders, including Thai Prime Minister Banhan Sinlapa-acha, hailed the meeting as a success. Apart from the adoption of the Action Agenda, a trade and investment liberalization blueprint, and the Osaka Initial Action, which were the detailed measures for trade and investment liberalization each APEC member will take, the leaders also agreed to set up a special task force to prepare a common position on food and agricultural industries before the summit meeting of the FAO in November next year.

APEC leaders pledged at the summit get together to immediately prepare their "concrete and substantive" Action Plan so it could be submitted to the 1996 Ministerial meeting in the Philippines for assessment.

Reading out the Leaders' Declaration, better known as the Osaka Declaration Murayama said APEC leaders already approved the list of "down payments" on liberalization each APEC economy would make within the next few years.

PRC Unveils Market-Opening Steps

OW1911033995 Tokyo KYODO in English
0328 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — China unveiled Sunday [19 November] a new set of market-opening measures, including tariff reductions and the elimination of some quotas, licensing and other import controls, APEC sources said.

The sources said China's so-called "down payment" program also calls for designating Shanghai and other cities "as pilot bases to set up Sino-foreign joint ventures engaged in foreign trade."

China may also announce additional market-opening measures before the close of top-level talks of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, the sources said.

During Sunday's informal summit, leaders of the 18 APEC members are scheduled to release independent market-opening measures to be taken next year.

China's initial action program features tariff reductions of "no less than 30 percent" on more than 4,000 tariff lines and elimination of the quota, licensing and other import controls on about 170 tariff lines.

In addition, the program said that in 1996 foreign exchange transactions of foreign-invested enterprises "will be incorporated in the banking system of foreign exchange procurement and sale."

But it was not immediately known how much impact China's fresh trade and investment liberalization program would have on the country's trade and economic relations with other APEC and non-APEC members.

Trade Ministers' Luncheon Noted

OW1911114695 Tokyo KYODO in English
1115 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — After a rare luncheon meeting among trade ministers of the Association of Southeast Asian Nations (ASEAN), China, South Korea and Japan on Sunday [19 November], the Philippine trade minister dismissed speculation that this indicates growing support for an all-Asian trade body proposed by Malaysia.

The luncheon at the Royal Hotel in Osaka on the fringes of the ongoing APEC summit brought together the ministers from the countries which Malaysian Prime Minister Mahathir Mohamed wants to join his proposed East Asia Economic Caucus (EAEC).

It excluded trade ministers from other key Asia-Pacific Economic Cooperation (APEC) forum members, including the United States, Canada and Australia.

Philippine Trade Minister Rizalino Navarro, however, denied that the luncheon was an EAEC meeting in disguise. "That's not the way I'd put it. The people who attended this meeting are the ones who are composing the Asian side of the Asia-Europe meeting," he said in an interview with KYODO NEWS SERVICE.

He was referring to an unprecedented summit meeting between leaders of ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, and the 15 European Union (EU) countries, which will be held in Bangkok next March.

Among European diplomats observing the APEC gathering, the luncheon fueled concerns that the all-Asian caucus concept is gaining ground in part due to U.S. President Bill Clinton's absence from Osaka.

Japanese officials said the gathering marked the first ministerial meeting among Northeast Asian and ASEAN trade ministers, although these countries have held meetings of senior trade officials in the past.

U.S. Trade Representatve Mickey Kantor, however, gave the impression he was unperturbed about the luncheon, saying Washington does not mind as long as other countries are not excluded from the gradually evolving dialogue.

Kantor had met with ASEAN trade ministers for talks just hours before the luncheon, also discussing informal dialogue between the ASEAN Free Trade Area and the North American Free Trade Agreement countries.

Malaysian Trade Minister Rafidah Aziz, however, did not attend due to previous appointments, Navarro said.

He said the ministers were invited to the luncheon and the meeting with Kantor only after their arrival in Japan on Wednesday, when the seven ASEAN nations held ministerial talks.

Japan in the past has rejected Malaysia's calls for Tokyo to participate in the EAEC scheme, fearing such an all-Asian scenario could undermine relations with other Pacific Rim countries, particularly the U.S.

Tokyo originally voiced reservations about Thailand's proposal to hold the luncheon, fearing it might estrange the excluded APEC members. But Navarro said he does not believe that the holding of the luncheon in Osaka demonstrates that Japan or other participants are more inclined toward an EAEC than before.

"Most of us relate to the U.S.," he said, noting that the U.S. is a major trading partner for the region. He said the meeting focused on producing some input for Asia-Europe summit host Thailand in preparing the agenda, expected to give much play to trade and other economic matters.

Kim Yong-sam Vows 'Active Role'

SK1911055095 Seoul YONHAP in English
0419 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 (YONHAP) — President Kim Yong-sam said that pertinent to its globalization politics, South Korea will play an active role in improving welfare and development of the Pacific region in the Asia Pacific Economic Cooperation (APEC) as well as liberalizing the region's trade and investment.

The head of state made the remarks in his keynote speech delivered at the 18-leader APEC forum, which opened on Sunday morning here, saying, "An 'action agenda' on trade and investment, which is to be adoted at this meeting in the afternoon, will be a great milestone not only for the co-prosperity of the region, but also for the development of the world economy."

At the morning session of the one-day APEC leaders' meeting, President Kim suggested principles that APEC should pursue its goal of co-prosperity, while embracing the region's diversity, and member economies would voluntarily act up to their respective promises for the liberalization of trade and investement.

In the afternoon, the South Korean leader is reportedly to offer ways to cooperate among member countries, including the construction of an Asia-Pacific information superhighway, the establishment of an APEC education foundation and environment protection.

Chretien Comments on Future Path

OW1911111095 Tokyo KYODO in English
1046 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — The Asia-Pacific Economic Cooperation (APEC) forum will stay on the path of free trade and investment toward Canada's hosting of the forum's top-level gathering in 1997, following one in the Philippines in 1996, Canadian Prime Minister Jean Chretien said Sunday [19 November].

The free trade and investment principles were transformed into initiatives through the first APEC unofficial summit meeting in 1993 in Seattle and the second one in 1994 in Indonesia, and those initiatives were set to be transferred into actions Sunday in Osaka, he said, dismissing a question on whether APEC has lost vigor in the two previous top-level meetings.

Chretien made the remarks during a news conference in Osaka, western Japan, shortly after he and other leaders from the 18 APEC members announced "action agenda" commitments to liberalize trade and investment in the region by 2010 for developed members and 2020 for developing partners.

"They (APEC partners) know that Canada is a Pacific country," he said, adding that Canada and its Pacific Rim partners want to expand business with each other.

It is important that leaders who had been reluctant about liberalization, such as Indonesian President Suharto, have become eager about open trade and investment, he said.

Malaysian Prime Minister Mahathir Mohamed was also "very positive in discussions" during the day's summit meeting, Chretien said.

Earlier in the day, Canadian State Secretary for Asia-Pacific Raymond Chan, who is also in Osaka, announced that Canada will host the summit meeting in Vancouver.

Vancouver is Canada's gateway to the fast-growing Pacific market and thus the city is an "ideal location" to host the meeting, Chan said.

"APEC enables Canada to pursue specific objectives such as expanding trade opportunities, promoting investment and trade liberalization, and protecting the environment," Chan said.

Chretien said Japanese Prime Minister Tomiichi Murayama was an "extremely good chairman" of this year's APEC summit Sunday and the atmosphere of the gathering was very good.

APEC Summit Concludes

SK1911092695 Seoul YONHAP in English 0740 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 (YONHAP) — Eighteen leaders of the Asia Pacific Economic Cooperation (APEC) wrapped up their third APEC forum on Sunday here, and adopted the "action agenda" through the Osaka Declaration to implement the 1994 Bogor Declaration for the liberalization and facilitation of trade and investment in the Asia-Pacific region.

The declaration and action agenda came from the seven-hour-long meeting of the APEC leaders, and were announced by Japanese Prime Minister Tomiichi Murayama.

In the declaration, the leaders explained that they have adopted the action agenda to implement the Bogor Declaration they had proclaimed last year in Indonesia, and pledged that the agenda will be implemented with continuous and firm determination.

"The action agenda will be revised and improved as necessary to cope with the change of the future circumstances," the declaration said, adding that harmonized liberalization based on member economies' voluntary contribution and common initiative will be a leading guideline for implementing the action agenda.

The action agenda's general principles to achieve trade and investment liberalization and facilitation are comprehensiveness, WTO [World Trade Organization]-consistency, comparability, non- discrimination, transparency, standstill, simultaneous start, continuous process and differentiated time tables, flexibility and cooperation, the 1995 declaration said.

According to the action agenda, 18 member economies have to submit their respective action plans to implement liberalization of trade and investment before the 1997 Manila APEC summit forum is held, and complete procedures for free and open trade investment in the region by the year 2010 for industrialized economies and 2020 for developing economies.

Main Points of APEC Declaration

SK1911040695 Seoul THE KOREA TIMES in English 19 Nov 95 p 8

[FBIS Transcribed Text] Leaders of the Asia-Pacific region will adopt in Osaka today a declaration calling for the transcending of narrow economic nationalism and keeping alive the spirit of volunteerism and diversity.

Seventeen heads of state from member countries of the Asia-Pacific Economic Cooperation (APEC) will put their signatures to the document for implementing the Bogor Declaration for freer trade and investment that was adopted last year.

While observers said the final agreement, reached after considerable squabbling at the ministerial level, is vague, it will set the ball in motion in ensuring that trade barriers in the region are lowered.

Even top Japanese officials, initially worried about the conflicting views of the participants, said the agreement will have to be improved upon before being implemented and in accordance with international economic developments.

The agreement was at least successful in presenting a general definition of the time table under which member countries will reduce trade and investment barriers which will be submitted at the Philippines meeting next year. Developed nations are to achieve free trade and investment by the year 2010 and developing countries over by 2020.

The Osaka declaration reads that member countries will "consolidate the region's prosperity by transcending narrow economic nationalism and promoting further liberalization based upon mutual trust."

The leaders, including Korean President Kim Yong-sam, will also accept the principle that concerted liberalization will reflect the diverse, voluntary and collective character of APEC and its member countries.

Korean officials attending the meeting said there was a general conflict of interest between advanced and developing countries as usual with developed nations pushing for more unilateral policies.

However, countries like Korea were successful in ensuring that their positions are well adopted in the declaration which is certain to set the pattern for the new century and beyond.

On liberalization and facilitation, the declaration says it recognizes Korea's consistent position that due consideration should be given to sensitive areas, apparently referring to the opening of the agricultural market.

It said "The difficulty of liberalization and facilitation varies in each economy. Considering these diverse circumstances, flexibility will be available with regard to the ways, modalities, pace and so forth."

Outside of the declaration, the most significant developments took place at the bilateral level. Korean Trade, Industry and Energy Minister Pak Chae-yun met with his counterparts from Hong Kong and Canada as well as U.S. Trade Representative Mickey Kantor.

President Kim himself engaged in brisk trade and economic diplomacy, holding summit talks with Australian Prime Minister Paul Keating, Japanese Prime Minister Tomiichi Murayama and Thai Prime Minister Banhan Sinlapa-acha.

One prominent absentee at the Osaka summit was President Bill Clinton who is currently embroiled in a budget battle at home which has paralyzed the U.S. Government.

Primary Results Summarized

OW1911094395 Tokyo KYODO in English 0933 GMT 19 Nov 95

[FBIS Transcribed Excerpt] Osaka, Nov. 19 KYODO — Asia-Pacific leaders took a major stride Sunday [19 November] toward making real their vision of free trade for the region by the early 21st century as they concluded the annual gathering in Osaka.

"We have, with Osaka, entered the action phase in translating this vision and these goals into reality," said the Osaka Declaration read out by Japanese Prime Minister Tomiichi Murayama, the host of this year's summit of the Asia-Pacific Economic Cooperation (APEC) forum. [passage omitted]

The leaders voiced their support for China's future entry into the World Trade Organization (WTO), a fresh global trade tribunal body that replaced the General Agreement on Tariffs and Trade in January this year.

While not actually naming China, the declaration said APEC leaders "trust that enlarged participation by APEC economies into the WTO would facilitate greater regional cooperation."

Concluding the Osaka summit, Murayama said Japan will consult with other APEC members about a proposal by Canada and New Zealand to hold a trade ministers' meeting ahead of the WTO conference in Singapore in December next year.

China has expressed interest in joining the WTO. The APEC leaders' statement effectively means they support China as a new member of the global trade watchdog in the not too distant future.

The APEC leaders also infused the idea of "voluntarism" into Sunday's declaration, apparently reflecting a desire among the less developed members to attune the pace of trade liberalization with their economic development.

Meanwhile, Japan had earlier announced its plan to offer up to 10 billion yen to support APEC's trade and investment liberalization, and facilitation projects.

In the declaration, the leaders reconfirmed the significance of APEC's three major pillars in achieving the Bogor commitment — trade and investment liberalization, their facilitation, and economic and technical cooperation among APEC members.

Effects of initial plans will be accelerated by specific action plans each member is supposed to submit to an APEC meeting in Manila next year.

Japanese Prime Minister Murayama was quoted as saying that Japan's measures in this area will cover tariff cuts for 697 industrial goods and other Japanese efforts to revamp its economic structure, adding that the steps will be conductive to long-term economic growth in the APEC area.

These action plans will be implemented from January 1997 and will be reviewed annually, the declaration said.

Murayama was quoted as saying APEC can play a role of holding in check trade conflicts, protectionism and reciprocal trade approaches.

Some APEC leaders voiced concern about the strong yen's negative impact on management of economic and trade activity in Asia, according to Japanese officials.

The declaration said APEC's ministerial meeting held before the summit dealt with "macroeconomic, financial, exchange rate, and other policy regarding capital flows."

But no consensus on this issue was reached during the leaders' meeting, the officials said.

The APEC leaders backed Japan's proposal for APEC members to jointly tackle potentially large problems concerning energy, the environment, food and population.

"The Asia-Pacific region's fast-expanding population and rapid economic growth are forecast to sharply increase the demand for food and energy and the pressure on the environment," the declaration said.

"We agreed on the need to put these interrelated, wide-ranging issues on our long-term agenda and consult further on ways to initiate joint action so as to ensure the region's economic prosperity is sustainable."

The leaders threw support behind Japan's "partners for progress" scheme for enhancing mutual economic cooperation within APEC, the Japanese officials said. [passage omitted]

Keating Comments on U.S. Commitment to APEC

OW1911121395 Tokyo KYODO in English 1023 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Australian Prime Minister Paul Keating on Sunday [19 November] emphasized the unique place of the Asia-Pacific Economic Cooperation (APEC) forum in the world community, saying its importance lies in strong leadership for trade and investment liberalization.

After attending the APEC summit meeting, Keating said he believes the United States is strongly committed to the APEC dialogue despite President Bill Clinton's absence from the annual gathering to overcome a domestic budget crisis.

With "trust and goodwill toward each other," Keating said APEC leaders can make the forum "completely different" from other entities, adding it is important for the leaders to meet annually.

Keating Announces Specific Free Trade Measures

LD1911130895 Melbourne Radio Australia in English 1100 GMT 19 Nov 95

[FBIS Transcribed Text] Australia is among the countries that have announced specific free trade measures at the end of the APEC [Asia-Pacific Economic Cooperation] summit in Osaka. As Graeme Dobell reports, Australia pledged to strengthen its free trade commitment.

[Dobell] Prime Minister Paul Keating said Australia would bring forward by one year the date on which it would apply final tariff levels promised under the Uruguay GATT [General Agreement on Tariffs and Trade] round. The prime minister said this would apply to 2,800 tariff lines. Australia would open up a number of service industries, telecommunications, construction, leasing, and environmental protection. Mr. Keating noted that Australia was already inviting full competition in the telecommunications sector from 1997. He said Australia would extend competition rules to much of government activity, including state government businesses. The regulatory and business functions of public monopolies would be separated.

APEC Nations Said Concerned Over Rising Yen

OW1911121595 Tokyo KYODO in English 1122 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Leaders from developing economies within the Asia-Pacific Economic Cooperation (APEC) forum have called for a plan to rationalize foreign exchange in expressing concern over the rising rate of the yen and its impact on their yen-denominated loans, Philippine President Fidel Ramos said Sunday [19 November].

He told a press conference following the APEC leaders summit earlier Sunday that Malaysia articulated the concern and it was followed up by many of the developing countries.

"Japan promised that on their own they would address this problem for the overall benefit of the members of the APEC and it was also suggested that the finance ministers of APEC meet again as soon as possible to address this problem," Ramos added.

"We hope for the sake of the smaller economies that this will be sincerely and transparently addressed by the more developed economies, especially those in APEC who are also members of the G-7 (Group of Seven) countries," he noted.

Ramos also said developing economies are very encouraged that the Osaka action agenda adopted by APEC leaders has given equal importance to economic and technical cooperation as liberalization and facilitation of trade and investments.

He said during the leaders' meeting that developing economies challenged wealthier members to get more involved in poverty alleviation in the region, and the leaders agreed to give focus to the preservation of the environment, food security and sufficiency of energy to fuel the growth of APEC economies.

PNG Official Warns Against Political Role

OW1911133095 Tokyo KYODO in English 1300 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — A senior official of Papua New Guinea [PNG] warned Sunday [19 November] that the Asia-Pacific Economic Cooperation (APEC) forum would break up if it starts discussing political and security issues.

"APEC is a loose organization and its membership is made up of different cultures with different stages of development," said the senior official, who spoke on condition of anonymity.

"Once you discuss political and security issues, you will create a split within and APEC will break up," he added.

The official told KYODO NEWS SERVICE that his country is not enthusiastic about seeing APEC play a political role.

He cited the existence of regional forums, such as the Association of Southeast Asian Nations, which deal with political and security issues, sometimes in close consultation with Japan, South Korea, the United States, Canada, Australia and New Zealand.

"I don't think APEC in the future will discuss such political and security issues," the official said, adding, "it only deals with trade and investment, economic matters."

The official called the APEC talks in Osaka "a success," saying their outcome will help even small economies like Papua New Guinea to promote trade and investment via APEC-induced liberalization measures.

Papua New Guinea joined APEC in 1993, five years after the forum's inauguration.

Malaysia Against Discussing Security Matters

BK1911143595 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 19 Nov 95

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir said the Asia-Pacific Economic Cooperation [APEC] meetings were not confined to liberalizing trade. Matters related to comparable currencies in the money market were also discussed.

Here is RTM Correspondent Zulkifli Salleh in Osaka for further information:

[Begin recording] [Zulkifli] Thank you, Kuala Lumpur.

Datuk Sri Dr. Mahathir said the APEC meetings were not confined to liberalizing trade. Several matters relating to payments in comparable currencies among trade partners were also discussed.

The prime minister said this in a news conference after the APEC summit in Osaka this afternoon. He said speculations in the money market are affecting the economies of countries. APEC members should, therefore, take serious steps to overcome the problem. It took Dr. Mahathir over an hour to answer more than 20 questions posed by domestic and foreign reporters overcrowding the session hall.

[Mahathir, in English, in progress] The problem of speculations in the money market is another, something else, which is affecting the economies of many countries because speculations may result in a sudden depreciation of the value of nations' currencies, and we need to have some ways of regulating the exchange rates based on factors, which have to be determined in order to enable trade to take place without a lot of uncertainties.

My view is that APEC should not be concerned with security matters. In any case, we don't think we should identify future enemies and prepare to defend ourselves, because when you do that, you create present enemies. They will prepare, maybe, to attack you and that will create tension in the region. So, we do not want to discuss security in APEC and we think that such matters should be settled bilaterally in some kind of ways. [passage omitted on APEC Declaration] [end recording]

Japan

Minister: Murayama To Initiate Action on Bases

OW2111011995 Tokyo KYODO in English 0103 GMT 21 Nov 95

[FBIS Transcribed Excerpt] Tokyo, Nov. 21 KYODO — Prime Minister Tomiichi Murayama said Tuesday [21 November] at a cabinet meeting he will take the necessary legal action authorizing him to sign documents to force a number of landowners in Okinawa Prefecture to renew the leases on land being used by U.S. military bases, a cabinet minister said.

Murayama also told the cabinet meeting he will initiate the legal action Tuesday afternoon, the minister added.

Prior to the regular cabinet meeting, Murayama, head of the Social Democratic Party, explained his decision to other coalition partner heads — International Trade and Industry Minister Ryutaro Hashimoto, president of the Liberal Democratic Party, and Finance Minister Masayoshi Takemura, head of New Party Sakigake.

Foreign Minister Yohei Kono and Defense Agency head Seishiro Eto also joined the meeting at the prime minister's office.

Murayama was quoted as saying at the coalition heads meeting, "the government has to experience the pains of the Okinawa governor. We have to make a deeply troubled choice on the matter," according to a participant at the meeting. [passage covered by ref omitted]

Further on Murayama's Initiating Bases Action

OW2111123995 Tokyo KYODO in English 1222 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — Prime Minister Tomiichi Murayama formally decided Tuesday [21 November] to initiate legal action to force unwilling residents in Okinawa Prefecture to continue leasing their land to the U.S. military.

The premier, as a first step, will deliver a recommendation on Wednesday to Okinawa Gov. Masahide Ota asking him to cooperate with the central government in having the landowners agree to the continued rental of their property, Chief Cabinet Secretary Koken Nosaka told a news conference.

The governor has refused to sign documents necessary for the compulsory land lease to U.S. forces stationed in the Island prefecture, about 1,600 kilometers southwest of Tokyo, since the rape of an Okinawa schoolgirl in September.

The rape, for which three American servicemen are on trial, sparked an uproar over the huge U.S. military presence on Okinawa, where some 75 percent of U.S. military facilities in Japan are located.

"The government decided to start procedures necessary for the premier's signing of the papers," Nosaka said, noting that Murayama made the "tough" decision in the face of the Okinawa governor's refusal to sign the papers on behalf of the landowners.

Murayama's initiation of legal action is intended to force the landowners to renew their land leases in time for the expiration of the current arrangements in March 1996 and May 1997.

With little possibility of Ota relenting, a long administrative process will likely precede the compulsory renewal of the leases.

In line with the law on the forced rental of land for use by the U.S. military, the state government has been trying to persuade 2,937 landowners to agree to the continued land lease before the deadlines.

But 35 of them, who hold about 35,000 square meters of land within the boundaries of U.S. military installations, have refused to renew the leases.

If landowners and municipal leaders refuse to sign the necessary documents to lease the land, Japanese law requires the governor to sign.

If the governor also refuses, the prime minister can file a suit demanding that the governor carry out his duties, and if that is rejected again, the premier can sign the papers on behalf of the governor.

Nosaka said Deputy Chief Cabinet Secretary Teijiro Furukawa relayed Murayama's decision to vice Okinawa Gov. Masanori Yoshimoto shortly after the decision won cabinet approval.

In the prefectural capital of Naha, Ota told reporters he will make utmost efforts to project Okinawa residents' calls for a smaller U.S. presence to the state government even after the premier's decision.

Murayama and Ota are due to meet Friday for the second time in less than a month to discuss ways to reconfigure and consolidate U.S. bases, and reduce the number of troops in the long run.

When they met in Tokyo on Nov. 4, Ota did not budge from his position on the leases. After the meeting, Murayama indicated his readiness to sign the necessary documents on the governor's behalf.

While deciding to take legal action to ensure the continued rental of Okinawa land, Murayama reiterated Tuesday the government will strive to scale down the U.S. presence in the prefecture.

"I will put all my energy into tackling the question of reconfiguration, consolidation and reduction of U.S. troops, while sufficiently discussing it between Japan and the United States and making the efforts consistent with the objective of the Japan-U.S. Security Treaty," the premier told a parliamentary session.

Tokyo and Washington have reinforced the importance of the bilateral security alliance but set up a new mechanism to discuss realignment and consolidation of U.S. bases in Okinawa.

The special action committee comprising high-level Japanese and U.S. officials, in its first meeting in Tokyo on Monday, agreed to complete their review of the base issue within one year.

The panel confirmed that its activities should be done within the framework of the bilateral security treaty. It also agreed to consider concrete proposals for improving conditions connected with the bases, including Japanese complaints about training, noise and safety.

The U.S. has made it clear it will not change its policy of maintaining about 100,000 military personnel in the Asia-Pacific region, including around 47,000 in Japan.

Nosaka said, however, that a joint statement to be released when U.S. President Bill Clinton pays a state visit to Japan for talks with Murayama will clearly stipulate a cut in the number of U.S. troops in Okinawa, in addition to realignment and consolidation of U.S. bases there.

Clinton called off his Japan trip planned for last weekend due to a domestic budget standoff.

Murayama and U.S. Vice President Al Gore, who came to Japan to attend the summit of the Asia-Pacific Economic Cooperation forum in Osaka on Clinton's behalf, agreed Sunday to realize an early visit by the U.S. President.

Eto on U.S. Bases, Clinton's Visit Cancellation

OW2111061395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 41

[Interview with Seishiro Eto, director general of the Defense Agency, by unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [NIHON KEIZAI SHIMBUN] Prime Minister Tomiichi Murayama and Okinawa Governor Masahide Ota will hold a second meeting on 24 November. New consultative bodies between Japan and the United States, and between the central government and Okinawa, will also be created and start functioning. Do you thinking we are moving toward a solution?

[Eto] It should be possible to resolve the issues related to U.S. military bases in Okinawa. Since Prime Minister Murayama has said that "the cabinet will work as one to deal with the problem," there can be no stronger commitment than this.

Moreover, we will make the new Japan-U.S. consultative body, and the consultative body between the national government and Okinawa move quickly to search for solutions. It will be a departure from the past, and I think the prospects are very optimistic.

[NIHON KEIZAI SHIMBUN] I think many people doubt the necessity of the Japan-U.S. security alliance since the end of the Cold War.

[Eto] The Japan-U.S. security alliance has played a major role as the cornerstone of Japan's peace and prosperity. A nation's peace and independence cannot be maintained by one country alone. The security alliance benefits not only Japan, but also contributes significantly to peace and stability in the Asia-Pacific region. We need to keep these two aspects in mind.

China is increasing its military capability. The Korean peninsula is extremely unstable. We should maintain and upgrade the security arrangements by all means.

However, it would be overoptimistic to think that since the bilateral security treaty exists, it will function effectively. Unrelenting efforts are required to make the security alliance strong.

Together with conducting joint exercises and exchanges in equipment and technology, we also need to take steps to reorganize, consolidate and reduce the U.S. military bases. The security alliance used to be thought of as a problem for the central government. I think we must also discuss this now as a problem for the local governments.

[NIHON KEIZAI SHIMBUN] The Okinawan people's indignation over the U.S. bases issue is quite considerable. They may not be appeased with the usual measures taken by the government in the past.

[Eto] The important thing is for the government and Okinawa to have the same determination to solve the problem. The government has its own thinking, and Okinawa has its demands, but I am confident we will be able to find a point of compromise. If we can show results by solving the problems one by one, I think the Okinawans' longstanding discontent and indignation will melt away.

Besides, efforts should not stop only at reorganizing and reducing the bases. Overall policy for the development of Okinawa also comes after that. We need to act fast. We do not need ideology now; what is needed is action.

[NIHON KEIZAI SHIMBUN] The Japan-U.S. summit meeting scheduled for 20 November was called off. Do you think this will affect the bases issue?

[Eto] On the part of the United States, Vice President Al Gore has come to Japan, and its position on working on the problem of U.S. bases in Okinawa remains unchanged. I have inspected the U.S. bases in Okinawa and officials in charge of the U.S. bases are also serious. They are exerting utmost efforts to find a solution. We should not let such enthusiasm go to waste.

Eto Says Search Imminent for U.S. Live-Fire Site

OW2111035595 Tokyo KYODO in English
0328 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — Defense Agency head Seishiro Eto said Tuesday [21 November] that before the end of the year, a search will begin for a new site in Japan for U.S. forces' exercises firing live ammunition.

The search for a new site for exercises now regularly conducted over a prefectural highway in Okinawa Prefecture had been scheduled to begin during the coming fiscal year, but Eto indicated that he will push to have the issue resolved as soon as possible.

Eto told reporters after Tuesday's cabinet meeting that the agency plans to quickly reach a conclusion on a suitable site and seek the cooperation of the relevant local authorities.

The agency has already suggested five possible sites in Hokkaido, Miyagi, Shizuoka and Oita prefectures, all of which are currently being used by the Ground Self-Defense Force.

An agreement to transfer the training site for U.S. military was confirmed in January during a meeting between Prime Minister Tomiichi Murayama and U.S. President Bill Clinton.

Residents living near the current exercise site in Okinawa have long complained about the prefectural highway being closed during drills, and about finding stray shells in residential areas.

Okinawa's anger at the large U.S. military presence in the prefecture boiled over in September, when a 12-year-old schoolgirl was raped, allegedly by three U.S. servicemen stationed locally.

Security Statement With U.S. Said Obtained

OW2011132695 Tokyo KYODO in English
1254 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — A Japan-U.S. joint statement on security which would have been issued Monday [20 November] if U.S. President Bill Clinton had visited Japan stipulates that 100,000 U.S. troops be maintained in East Asia, including 47,000 in Japan, despite the end of the Cold War.

The document, of which a copy of the Japanese-language version was obtained by KYODO NEWS SERVICE, would have been issued Monday by Prime Minister Tomiichi Murayama and Clinton if their meeting had taken place as scheduled.

The document will be issued with little change if the Japan-U.S. summit meeting takes place early next year, government sources said.

Clinton was scheduled to meet with Murayama on Monday after attending a summit meeting of the Asia-Pacific Economic Cooperation forum in Osaka, but he canceled his trip to Japan last Wednesday due to the impasse with Congress over the U.S. federal budget.

The joint statement stops short of clearly noting a reduction in the U.S. military presence in Okinawa and instead only points to the need to pay due attention to the impact of U.S. military bases and operations on host communities, particularly in Okinawa which hosts about 75 percent of U.S. military facilities in Japan.

The heavy U.S. military presence has been under fire from Okinawa citizens, especially after the rape of an Okinawa schoolgirl allegedly by three U.S. servicemen in early September, for which they are on trial.

The document describes the Japan-U.S. security treaty as continuing to serve as a basis for security in the Asia-Pacific region as well as in the world.

The document says Japan pledges to make meaningful contributions to global security in cooperation with the United States, while Japan and the U.S. will cooperate with other countries in Asia in promoting a multilateral regional security system.

It also calls for cooperation between Tokyo and Washington in U.S. peacekeeping operations and defense-related exchanges.

To that end, the document says the U.S. strategic policy for East Asia and Japan's new defense program to be adopted by the end of this year represent a starting point for security in the 21st century and both countries will make efforts to make them accommodative.

In assessing the situation in Asia, the document notes continued tension in the Korean peninsula and potential for diversified and complicated regional conflicts and proliferation of weapons of mass destruction in the post-Cold War Asia.

The document says the security of a safe and open sea-lane and promotion of democracy are common interests of Japan and the U.S.

Editorial on Formation of Base Working Groups

OW2011094195 Naha OKINAWA TIMES in Japanese 18 Nov 95 Morning Edition p 5

[Editorial: "Step Toward Reducing Military Bases"]

[FBIS Translated Text] **Working Groups on Base Issues Formed**

A new working group of the central and the prefectural governments was finally formed. At their recent meeting, Prime Minister Tomiichi Murayama and Governor Masahide Ota agreed to set up the working group to talk about reorganizing and reducing military bases on Okinawa. By and large, as citizens of Okinawa Prefecture, we positively assess the formation of the new working group, which will directly link the prefecture with the Prime Minister's Official Residence. This is because the issue of reducing the military basses on Okinawa, which was scheduled to be discussed at the Japan-U.S. summit meeting, was about to be shelved following the cancellation of a trip to Japan by U.S. President W. J. Clinton, who was invited as a state guest.

On 19 November, Prime Minister Murayama is scheduled to hold a meeting in Osaka with Vice President A. Gore, who will come in place of President Clinton. At the meeting, the two leaders will likely confirm, among other things, the following points: Both countries will 1) do everything they can for the management [unei] of the Japan-U.S. Security Treaty; 2) seriously buckle down to the issue of the bases on Okinawa; and 3) inaugurate a new working group in the near future regarding the reorganization and reduction of the military bases. It seems that a new working group consisting of officials from the Japanese and the U.S. Governments will also be officially inaugurated at the meeting.

The working group of the central and the prefectural governments, whose formation was approved at a 7 November cabinet meeting, is called the "Okinawa Council for the Discussion of U.S. Military Bases" (Okinawa Council). The council — composed of the foreign minister, chief cabinet secretary, Defense Agency [DA] director general, and the governor of Okinawa Prefecture — will be in charge of discussing the reorganization and reduction of the U.S. bases and solving other various base-related issues. However, the Okinawa Development Agency [ODA] director general and other ministers will be able to attend meetings of the working group as occasion requires. Reportedly, the chief cabinet secretary will host the meetings.

A secretarial board — composed of the deputy chief cabinet secretary; the chiefs of the Councilors' Office on External Affairs, the North American Affairs Bureau of the Ministry of Foreign Affairs [MOFA], and the Defense Agency's [DA] Bureau of Defense Policy; the director general of the Defense Facilities Administration Agency; officials of ministries and agencies concerned; the vice governor of Okinawa Prefecture; the policy coordinator of the prefectural government; and other officials — will be formed as a suborganization of the council. Officials of administrative organizations concerned will be able to attend board meetings as the need arises. Board meetings will be hosted by the deputy chief cabinet secretary.

The first meeting of the Okinawa council, scheduled for 0930 [0030 GMT] on 25 November at the Prime Minister's Official Residence, will be attended by Foreign Minister Yohei Kono, Chief Cabinet Secretary Koken Nosaka, DA Director General Seishiro Eto, and Governor Ota. At a news conference held after a cabinet meeting on 7 November, the chief cabinet secretary explained his resolve with a sense of expectation, saying: "At the first meeting, we will talk about subject matters [naiyo]. Then we will decide whether to meet weekly or twice a month. We will make it a high-level organization, where discussions are held on things that are obstacles to the lives of the people in Okinawa Prefecture. We will make meetings as fruitful as we can."

To the people in Okinawa, the measures the government has taken so far are contrary to their expectations. Unlike the past, however, Governor Ota will officially attend the upcoming meetings on an equal footing as a council member. The governor can directly explain the bitter experiences the Okinawan people suffered for 50 years while bearing the heavy pressure caused by the vast military bases. He can thereby make significant contributions to negotiations between the Japanese and the U.S. Governments on reducing the military bases. Government Urged To Come Up With Measures Acceptable to Residents [subhead]

However, there are some uncertainties. The Murayama coalition government stresses that it will firmly maintain the Japan-U.S. security arrangement. Moreover, it was planning to redefine the security arrangement in a joint statement, to be announced at the 20 November summit talks. How far can the Murayama administration step into the negotiations and daringly call for the reorganization and reduction of the military bases on Okinawa, which the U.S. Government characterizes as the key to the Japan-U.S. Security Treaty? It will be a negotiation that is unimaginable as far as the U.S. strategies, which are based on the principle that the use of armed force is the best way to settle conflict, are concerned.

So far, the government has exhibited cheap tricks, such as three- item, 13-item, and 23-item proposals, as its proposals for settling the base issue. However, the Okinawan people, who experienced the heavy weight of the military bases, have mastered the skill of not being tricked. We are hoping for the government's sincere measures in dealing with the base issues.

Incidentally, so far the government has formed various working groups for base issues under different names. However, none of them produced results that were satisfactory to the Okinawan people.

For example, the "Three-Party Liaison Council" (Sansha Kyo), composed of the U.S. military, the Defense Facilities Administration Agency [DFAA], and the prefectural government, was formed 16 years ago in July 1979. Government ministries and agencies formed a "liaison council to deal with issues regarding the return of military facilities and land in Okinawa (a liaison council composed of 11 ministries and agencies) in August, 1991. In October 1993, a "liaison council to discuss issues regarding U.S. military facilities and land in Okinawa Prefecture" (a liaison council composed of one ministry and three agencies) was formed.

Existing Organizations Have Forgotten Who Plays Leading Role

The Sansha Kyo is an organ where participants can talk freely only about issues that are of interest to the three parties. They are to mutually respect the items they agree on. Therefore, some people inside and outside the government severely criticized the council, saying that it is an organ for reaching a so-called "gentlemen's agreement."

The liaison council of the 11 ministries and agencies is composed of MOFA; the Ministry of Finance; the Ministry of Agriculture, Forestry, and Fisheries; the Ministry of International Trade and Industry; the Ministry of Transportation; the Ministry of Construction; the Ministry of Home Affairs; the DFAA; the ODA; the Environmental Agency; and the National Land Agency. Among other things, it is designed to talk about compensation for landowners and utilization of military land after it is returned. These are issues far apart from reorganization and reduction of military bases.

The liaison council of one ministry and three agencies, is composed of MOFA, the DFAA, and the ODA. Due to bureaucratic barriers, however, it is not bearing fruit as people initially expected. It seems that the council became merely a venue for exchanging information. There are various working groups. We hope that the government will carefully deal with the situation so that the newly formed working groups do not commit the same error. There was only a decision to form the Okinawa council. It will decide concrete topics of discussion. However, we would like to watch over its future.

Manila Supports Greater UN Role for Japan

OW1811132395 Tokyo KYODO in English
1036 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Philippines President Fidel Ramos said Saturday [18 November] his country supports a greater role for Japan in the United Nations, Japanese officials said.

Ramos told Prime Minister Tomiichi Murayama he thinks Japan should play such a larger role considering its economic power, the officials said.

During their 10-minute talks, Murayama thanked the president for his remarks earlier this year that Japan should not be caught up with its past.

He was quoted as saying he agrees with the future-oriented idea and that Japan hopes to cooperate with the Philippines in working toward the future.

Murayama also offered Japan's cooperation for the successful holding of next year's APEC meeting, which Manila is to host.

EU Officials Urge Market-Opening Measures

OW2011124195 Tokyo KYODO in English
1024 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — Parliamentarians of the European Union (EU) urged Japan on Monday [20 November] to rev up its market-opening measures but Japanese Diet members responded they have already come a long way.

Mark Hendrick, an EU parliamentarian from Britain, said during interparliamentary talks which began in Tokyo on Monday that the EU's existing trade deficit with Japan is "unacceptably high."

While Japanese corporations face very few restrictions in the EU markets, access into Japan by European corporations is still difficult," he said.

But the Socialist Party member said there were hopeful signs as well, pointing to a 14 to 15 percent annual increase in EU exports to Japan in 1994.

Parliamentarian James Moorhouse, also of Britain, said the EU side was pleased with Japan's deregulation activities as of late but added it is not enough.

"It is important for Japan to reduce the number of nontariff barriers, and we seek more progress at a faster pace," Moorhouse said.

Daizo Nozawa, a Japanese House of Councillors legislator and member of the ruling coalition's Liberal Democratic Party, however, countered that the government "has taken a series of steps to open up markets."

Nozawa said those steps include lifting regulations in the aerospace and defense industries, finding office space for foreign companies, and providing market information through the semigovernmental Japan External Trade Organization (JETRO).

In their 16th annual meeting, 14 European parliamentarians from seven nations will also engage in discussions ranging from security issues to educational exchange for three days with a Japanese side of 36 politicians.

One topic both sides agreed Monday was a highly specific issue — banning future government subsidies on shipbuilding.

Georg Jarzembowski of Germany, an EU parliamentarian since 1991, asked the Japanese side if it agrees with a proposal by the Organization for Economic Cooperation and Development (OECD) to stop subsidies in the industry by the fall of 1996, saying it should have been done earlier.

"Poland has lower wages in this industry, so for Germany and other nations to be competitive, we would have to subsidize," Jarzembowski said. "But this does not make any sense because our governments would then easily go into debt."

Koji Kakizawa, a former Japanese foreign minister, answered that Japan's Transport Ministry is "in favor of such a treaty" and that it has already begun reducing subsidies.

Both sides are slated to discuss EU relations with the Asia-Pacific Economic Cooperation (APEC) forum and nuclear nonproliferation issues Tuesday.

The talks will wrap up Wednesday with continued discussion on EU-Japan trade, financial services and market-opening measures.

Japanese delegation head and Diet member Tsutomu Hata, a former prime minister, opened the session at the upper house's annex building in Tokyo.

Further on EU Urging Deregulation, Market Access

OW2111104795 Tokyo KYODO in English
1010 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — Parliamentarians of the European Union (EU) have pressed Japan to step up its deregulatory efforts so as to open its markets more to foreign competition, a Japanese politician said Tuesday [21 November].

The EU lawmakers made the pitch during the just-finished, two-day EU-Japan interparliamentary conference here, former Japanese Prime Minister Tsutomu Hata told a joint news conference of Japanese and EU delegates.

While welcoming Japan's market-opening efforts, EU representatives also called for further elimination of nontariff barriers, said Hata, who headed a group of suprapartisan Japanese participants.

"There has been a lot of progress... [ellipses as received] but there is still something to be done," said Bertel Haarder, chairman of the EU delegation, citing as areas that need work on Japan's part reduction of taxes on foreign-made liquor, mineral water and pork.

The EU representatives also complained of the difficulty in expanding direct investment in Japan because of Japan's protracted economic slump and the yen's appreciation, Hata said.

The Japanese delegates countered with accounts on the steps Japanese national and local governments have taken to facilitate foreign enterprises' business activities.

Hata said the Japanese and EU parliamentarians have agreed on the need for the maintenance of the World Trade Organization, a new global trade watchdog that replaced the General Agreement on Tariffs and Trade in January.

Touching on the United States' apparent inward-looking attitude on issues of international economic cooperation and development, they have also agreed to work to keep the U.S. involved.

On foreign policy and security issues, the representatives compared notes on the Asia-Europe summit set for March 1-2 in Bangkok, the structural reform of the United Nations and France's continued nuclear testing.

The EU delegates pointed out that the UN Security Council, comprising the five World War II victors — Britain, China, France, Russia and the U.S. — should be reviewed in the process of revamping the world body as a whole.

Alluding to Japan's desire to obtain a permanent seat on the powerful council, the EU parliamentarians contended that those seeking to be admitted into the council should fulfill its obligations to maintain global peace, according to Hata.

This can be interpreted as a call for Japan to play a combat role in UN peacekeeping operations, an area in which Japan has said it cannot make a due contribution because of constitutional constraints.

The EU politicians reiterated that the European parliament has been opposed to France's policy of continuing nuclear experiments, saying it has adopted resolutions against all nuclear testing by France and other countries three times in the past.

Haarder told the press conference that the EU participants want the outcome of the EU-Japan parley reflected in their political activities in Europe.

ROK Minister on Plans for Imports Deregulation

OW2111103195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Nov 95 Evening Edition p 2

[Report on interview with Pak Chae-yun, ROK minister of trade and industry, by NIHON KEIZAI SHIMBUN, in Japan; date not given]

[FBIS Translated Excerpt] Pak Chae-yun, ROK minister of trade and industry, who is currently visiting Japan to attend a meeting of the Asia-Pacific Economic Cooperation (APEC) forum, granted an interview to NIHON KEIZAI SHIMBUN and said: "We plan to speed up deregulation of our origin of imports diversification system (which designates controlled imports from Japan)." Specifically, the ROK plans to reduce the number of controlled import items from the current 187 to about 50-80 by 1998. The step is in line with trade liberalization trends and is intended to attract Japanese investments by promoting deregulation. Regarding items to be removed from the list of controlled imports, the trade minister hinted at the possibility of lifting the import ban on automobiles and other products that have been a focus of attention.

Regarding the import restriction system, Pak said: "To abolish it all at once would be difficult when the ROK has a trade deficit with Japan." At the same time, however, he clearly stated: "Basically, the intention of the ROK Government is to abolish it." In 1993, there were 258 items on the list of controlled imports. The ROK Government had originally planned to reduce the number of items on this list by about 10 percent annually and halve the list over a 5-year period. Now the government reportedly plans to increase the number of items it intends to remove from the list each year. Regarding items to be removed from the list in the future, however, the trade minister merely said: "That is currently being studied."

Regarding the ROK's increasing trade deficit with Japan, Pak indicated that to help foster ROK export industries, the ROK seeks investment from Japan in the parts manufacturing sector which is accompanied by advanced technologies, saying: "As a rule, we do not intend to enforce an import-control policy." He also indicated that the ROK Government, for its part, wants to increase investments, and for that, it plans to ease financial regulations against foreign-affiliated firms to the same level as those on domestic firms next year. [passage omitted].

Osaka Summit Seen as Step Toward EAEC

OW2111101195 Tokyo MAINICHI SHIMBUN in Japanese 19 Nov 95 Morning Edition p 9

["Article" by Economics Reporter Toshimitsu Kobayashi: "APEC 1995 Osaka Conference: A Test Case of Japan's 'Move Away From the United States'; Economic Ministers To Hold Meeting Today — First Step Toward EAEC Concept"]

[FBIS Translated Text] ASEAN member nations and three northeastern Asian nations — Japan, the PRC, and the ROK — will hold their first "economic ministers' meeting" in Osaka on 19 November. Although the countries involved describe the meeting as a "preparatory meeting for an Asia-Europe summit," it can also be seen as a stepping stone toward the setting up of the East Asia Economic Caucus (EAEC), from which the "United States is excluded."

In this article, we try to follow the moves of the ASEAN nations, which are, in their own way, carrying out diplomacy in a well-balanced manner, and pro-Asian groups within the Japanese Government and ruling coalition parties, who lean toward the idea of Japan distancing its foreign policy from that of the United States.

Spurring Investment Is the Agenda Topic

The Ministry of International Trade and Industry [MITI] says that Thailand, which is to host the Asia-Europe summit, requested that Ryutaro Hashimoto, deputy prime minister and concurrently MITI minister, attend the economic ministers' meeting. It says that Hashimoto made the decision to attend the meeting before he arrived in Osaka. MITI stresses that "among other things, the issue of working out measures to spur investment in Asia will be on the agenda, and the meeting has nothing to do with the EAEC concept advocated by Malaysian Prime Minister Mahathir Mohamed." However, "the outer appearance (membership) is EAEC itself" (according to a senior MITI official). This is clearly a political message directed at the United States, as the economic ministers' meeting will be held during the meeting of the Asia-Pacific Economic Cooperation (APEC) forum. It can be seen in no other way than that the relevant countries have taken their "first step" in this direction.

Round Two

In the autumn of 1994, Thailand called on the same countries to hold a ministerial meeting, but the Japanese Government rejected the proposal. Instead, some MITI officials suggested the concept of a "West Pacific Economic Sphere," which would include Australia and New Zealand in addition to EAEC members. In this way, Japanese officials hoped to dilute the "Caucasians-excluded bias of the EAEC."

However, it was decided under ASEAN's initiative that an Asia-Europe summit would be held, and that gave Japan more room in which to maneuver. By using the Asia-Europe summit as cover, it could become possible to set up an exclusive group that would leave out the United States. Although Japan's proposal to include Australia and New Zealand in the first Asia-Europe summit next year was rejected, the two countries are likely to be admitted to the second summit meeting.

In informal talks with reporters on 17 November, Hashimoto made subtle comments on the informal APEC summit that U.S. President Bill Clinton failed to attend, saying: "This will be a test case to see whether it will work without all the leaders present." A close aide to Hashimoto explained: "In a way, they could be testing to see whether they can carry on without the United States."

Moves to place Japan at a certain distance from the United States and shift its diplomatic axis to Asia have been intensifying among members of the Liberal Democratic Party [LDP], including former LDP Secretary General Seiroku Kajiyama.

ASEAN's Confidence

Meanwhile, Southeast Asian countries held a ministerial meeting during the Osaka APEC conference in a display of strength. These countries engaged in vigorous activities, holding ministerial meetings with Japan, the PRC, and the ROK on 19 November and at the same time, holding an economic ministers' meeting with the United States on the morning of the same day. A senior official at the Foreign Ministry believes that "ASEAN nations intend to go along with Europe if they cannot get along with Japan." Although there are differences in view among the ASEAN nations and Japan, they agree in that they want to place themselves at a distance from the United States.

Article Views Talks With PRC, ROK at Osaka

OW2111094195 Tokyo YOMIURI SHIMBUN in Japanese 19 Nov 95 Morning Edition p 2

[By reporter Yukinobu Oe]

[FBIS Translated Text] Although the Japan-PRC and Japan-ROK summit talks were held separately in Osaka on 18 November, the venue for the Asia-Pacific Economic Cooperation (APEC) forum, the issue of Japan's "recognition of history" did not come up on the agenda as a main topic. However, in their separate meetings, both the Chinese and South Korean leaders indicated differences with Japan in their views on "future-oriented" relations.

At the meeting with Prime Minister Murayama, Chinese President (General Secretary of the CPC) Jiang Zemin repeatedly stressed "future-oriented" Japan-China relations. Japanese officials quoted President Jiang Zemin as saying: "The issue of Japan's recognition of the past was discussed at the foreign ministerial meeting yesterday, and today I want to talk about our future." They also quoted him as saying: "If some politicians have misconceptions about history, I want you to correct their understanding." In this way, he did not go into detail on the issue of Japan's recognition of history.

Jiang Zemin held summit talks with his South Korean counterpart in Seoul on 14 November, and one newspaper commented: "Beijing and Seoul team up in dealing with the issue concerning Japan's recognition history." At his talks with Murayama, however, Jiang Zemin unexpectedly took a soft line because he did not want Japan to take amiss the results of the recent China-ROK summit meeting.

Sources accompanying Jiang Zemin said that at the joint news conference with South Korean President Kim following their summit talks, Jiang Zemin "simply reiterated China's conventional position on Japan's recognition of history." In fact, it seems Jiang Zemin was puzzled over the reaction of some newspapers, which had reported that "China and South Korea will cooperate in dealing with the past issue."

In addition, some observers said the Chinese side was dissatisfied with "President Kim's high-handed approach, which gave impression at the joint news conference that China and South Korea will take concerted action to deal with the issue" (according to sources related to both the Japanese and the Chinese governments).

However, at his meeting with Prime Minister Murayama, South Korean President Kim Yong-sam said: "A correct understanding of history is a prerequisite of future-oriented relations."

He also openly expressed dissatisfaction with Japan's position on the "recent past" — that is Tokyo's agreement with the DPRK to supply rice aid — by saying: "(North Korea) is trying to drive a wedge between Japan and South Korea."

Underlying Kim Yong-sam's hardline attitude is his "strong irritation" at events at home and abroad.

As far as Japan-ROK relations are concerned, controversial remarks that "justify Japan's colonization" have been repeatedly made by Japan politicians. On the issue of relations with North Korea, Pyongyang continues to criticize President Kim, and there are no signs of a resumption of dialogue.

On the domestic front, whether the arrest of former President No Tae-u will turn out to have been "lucky" or "unlucky" in his management of the government depends on further investigation.

It is noted that President Kim wants to strengthen his leadership in dealing with domestic affairs by taking advantage of the diplomatic effects resulting from the China-ROK summit talks, and his offensive against Japan in connection with Japan's recognition of history.

Thailand Asks Tokyo Lower Farm Products Barriers

BK1811100095 Bangkok BANGKOK POST in English 18 Nov 95 p 17

[Report by Wichit Sirithawiphon and Somphon Thapanachai]

[FBIS Transcribed Text] Osaka — Thailand wants Japan to tackle trade barriers on the export of Thai farm products to Japan.

It also wants to see more investment from Japan, especially in supporting industries, said Deputy Prime Minister Amnuai Wirawan.

The country wants Japan to explore development opportunities in Indochina and Burma, he said.

Dr Amnuai was speaking on the last day of the Asia-Pacific Economic Cooperation group's ministerial meeting, where he spoke with counterparts from Japan, Canada and New Zealand.

He yesterday met Minister of International Trade and Industries (MITI) Ryutaro Hashimoto.

Dr Amnuai said Japan is a big trading partner, but Thailand has a huge trade deficit with Japan and the amount is likely to widen yearly. More than 90 percent of the Thai trade deficit last year was incurred by imports from Japan.

He said Thailand wanted Japan to open the market more for Thai farm products. Thais complained that although Japan opened its rice market under a World Trade Organisation commitment, the amount imported from Thailand was still small.

Thai rice could gain a market share of about 20 percent in Japan, but Thais wanted the percentage to be raised to 33-35 percent — the share of Thai rice in global rice trading.

Dr Amnuai said Thailand wanted to ship frozen pork to Japan, but faced problems from the Japanese government, which fears the product could contain foot and mouth disease.

Thais viewed that Japan will be a potential market for this product, replacing Taiwan, which normally exports 300,000 tons of frozen pork to Japan, as Taiwan announced its policy to produce pork only for domestic consumption.

Thailand also wanted to export more boneless chicken to Japan, but faced more difficulties as Japan had widened the tariff gap on chicken imports from the United States and boneless chicken from Thailand, from 2 percent to 4 percent, making Thai products less competitive.

He said Thailand wanted the Japanese government to support small- and medium-scale industries to invest more in Thailand, especially supporting industries which will be important to reduce Thailand's trade deficit with Japan.

Thailand and Japan have cooperated under the framework of ASEAN-MITI [ministry of trade and industry] to boost economic development in Indochina and Burma, especially human resource development, to help create laws friendly to investment, and with infrastructure development.

Dr Amnuai yesterday also met with Canadian Minister of International Trade Roy MacLaren and New Zealand Minister of Trade Negotiations Philip Ralph Burdon.

He said Canada wanted Thailand to support the opening of its banks and investment in infrastructure, such as telephone systems. About 400 businessmen from Canada will visit Thailand in January to explore opportunities.

Businessmen from Thailand and Canada may set up a joint venture in furniture industries. Canada could supply rough wood while Thailand could make furniture for export.

Dr Amnuai said Thai fishery industries may do a deal to fish in New Zealand territory.

so as to include five-year note issues in its government bond placement plan for fiscal 1996 that starts next April, the officials said.

The introduction of five-year notes has not materialized due largely to possible adverse effects on long-term credit banks that issue five-year interest-bearing bank debentures.

But in a report submitted to the MOF by a group of government bond underwriting syndicate members, banks and brokerages called for the introduction of five-year notes because the flotation of a record 20 trillion yen worth of government bonds appears unavoidable in fiscal 1996 in view of sluggish economic activity and an expected shortage of tax revenues.

Participants in the bond market said they want five-year notes as they are concerned that such a large bond offering under the present placement system, which is dependent on 10-year bonds, will make the market absorption of bonds difficult and lead to rises in long-term interest rates.

Bond market sources referred to other factors in favor of the issuance of five-year interest-bearing notes. They said, for example, that while there are four- and six-year interest-bearing notes, market participants are not happy about odd-year maturities.

In addition, interest-bearing bank debentures are losing their position as the benchmark for five-year interest rates for swapping rates because the price of debentures issued by Nippon Credit Bank has fallen substantially, reflecting increased concern about the bank's financial position, the sources said.

'Source': Tokyo Studying Asian Version of BIS

OW1711145295 Tokyo KYODO in English
1415 GMT 17 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO — Japan has launched a move to set up an Asian version of the Bank for International Settlements (BIS) to help stabilize financial markets and promote monetary policy coordination in the region, international financial sources said Friday [17 November].

The BIS, set up in 1930 and based in Basel, Switzerland, is an organization to promote cooperation among the world's central banks in the international financial field.

Japan's Finance Ministry and the Bank of Japan (BOJ) have initiated the move for the establishment of an institution similar to the BIS to monitor capital transfer in the rapidly growing financial and capital markets in Asia and to promote information exchanges among financial authorities, the sources said.

The Finance Ministry will call for the setting up of the institution at such meetings as a session of the finance ministers of Asia-Pacific Economic Cooperation (APEC) forum members to be held in Kyoto next March.

The BOJ will also start hearing opinions from other Asian countries and coordinating views on the plan at a meeting of Asian central banks, the sources said.

Other than Japan, Australia has expressed a positive stance on the plan, while Hong Kong has shown interest in expanding the existing international financial settlement system which includes Europe and the United States, according to the sources.

Leaders Agree on Need for Fiscal Reconstruction

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The two agreed on the need to make efforts to actively reconstruct fiscal conditions instead of issuing government bonds to cover the fiscal deficit, Kato told reporters after his meeting with Toyoda.

Both leaders agreed to have the two advisory bodies draw up a medium-term fiscal reconstruction plan and to set up numerical goals tying debt financing to a proportion of gross domestic product. They also agreed on the promotion of administrative reform, Kato said.

Minoru Nagaoka, deputy head of the Fiscal System Council who also attended the meeting between Kato and Toyoda, said his council is hoping to draw up a reconstruction plan by early next year outlining numerical goals for government bonds. The council, an advisory body to the finance minister, will also come up with a long-term fiscal action plan that will take into account the increase in social security costs, he said.

MOF May Revise Rules on Failed Financial Firms

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Former Kiribati President Interviewed on SPF

OW2011121495 Tokyo ASAHI SHIMBUN in Japanese 18 Nov 95 Morning Edition p 8

[FBIS Translated Text] The South Pacific Forum (SPF) will open the "South Pacific Support Center" in Tokyo to smooth way for Japan's development advice and assistance to the Pacific Islands, said SPF General Secretary Ieremia Tabai (age: 47, former president of Kiribati).

Tabai is visiting Osaka to attend the Asia-Pacific Economic Cooperation (APEC) conference as an observer, and he gave an interview to ASAHI SHIMBUN on the evening of 16 November. In the interview, General Secretary Tabai noted harmony with APEC nations is indispensable for development of the South Pacific nations as 80 percent of trade by them is with APEC members. He stressed that the South Pacific nations must realize economic growth to become "truly independent" from influences of former suzerains.

The support center is expected to function as the SPF's base for the promotion of economic relations with Japan, and for the receipt of assistance and advice from Japan. Tabai said surveys to prepare for the opening of the center are now under way, and the Japanese Government has promised to offer support for the SPF plan.

Business Leaders Welcome Osaka APEC Action Agenda

OW1911134795 Tokyo KYODO in English 1242 GMT 19 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO — Japanese business leaders Sunday [19 November] welcomed the Osaka action agenda adopted by leaders of the Asia-Pacific Economic Cooperation (APEC) forum for its long-term goal of liberalizing regional trade and investment.

"The action agenda will pave the way for the Asia-Pacific region to attain greater stability and prosperity," said Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren).

Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), said the action agenda marked "a step forward" toward sustainable economic growth of the region.

Leaders from the 18-member forum adopted the action agenda on Sunday at the end of their meeting in Osaka, western Japan, setting a framework for achieving trade and investment liberalization goals by 2010 for industrialized economies and by 2020 for developing economies.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said Japan played the role of the chair very well at the Osaka meeting.

Japan led APEC members to an agreement on the need to tackle energy, environment and other long-term issues, Inaba said.

Toyoda and Nemoto called on the Japanese Government to take greater leadership for the liberalization goals.

"Japan should take the lead in liberalization efforts in the region by presenting its action plan at an early date, including measures to further deregulate its economy," Toyoda said.

Nemoto said, "following the success of the Osaka meeting, Japan should deepen its leadership in the APEC region."

Tokyo To Provide Flood Relief to Vietnam

OW1711144895 Tokyo KYODO in English 1159 GMT 17 Nov 95

[FBIS Transcribed Text] Hanoi, Nov. 17 KYODO — Japan agreed Friday [17 November] to supply Vietnam with rice worth up to 92,626 dollars for distribution to people in flood-devastated central provinces.

Japanese embassy officials said an agreement on the grant of emergency aid was signed earlier in the day in Hanoi by representatives of the two governments.

The aid, which will be used to purchase 275 tons of rice, was granted in response to a recent appeal from the Vietnamese Red Cross.

Three powerful typhoons swept through central areas of Vietnam between Oct. 5 and Nov. 3, leaving 137 people dead, 199 injured and 46 missing.

The typhoons destroyed 7,801 houses and left 256,944 others submerged or damaged. An estimated 23,400 hectares of rice fields were rendered unable to be harvested, while 56,885 more hectares were submerged or damaged.

Ministry Preparing for Interest-Bearing Bonds

OW2111104595 Tokyo KYODO in English 1008 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — The Ministry of Finance (MOF) has begun paving the way for the issuance of five-year interest-bearing notes to facilitate the absorption of government bonds on the market, ministry officials said Tuesday [21 November].

The ministry hopes to complete necessary coordination with banks and securities companies by mid-December so as to include five-year note issues in its government bond placement plan for fiscal 1996 that starts next April, the officials said.

The introduction of five-year notes has not materialized due largely to possible adverse effects on long-term credit banks that issue five-year interest-bearing bank debentures.

But in a report submitted to the MOF by a group of government bond underwriting syndicate members, banks and brokerages called for the introduction of five-year notes because the flotation of a record 20 trillion yen worth of government bonds appears unavoidable in fiscal 1996 in view of sluggish economic activity and an expected shortage of tax revenues.

Participants in the bond market said they want five-year notes as they are concerned that such a large bond offering under the present placement system, which is dependent on 10-year bonds, will make the market absorption of bonds difficult and lead to rises in long-term interest rates.

Bond market sources referred to other factors in favor of the issuance of five-year interest-bearing notes. They said, for example, that while there are four- and six-year interest-bearing notes, market participants are not happy about odd-year maturities.

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The ministry finds some rationale in the criticism from some quarters that it is unjustifiable for financial authorities to pay not only principal but also interest to depositors at an institution that promised high yields and went under because of risky fund management, the officials said.

The ministry will ask a Financial System Research Council subcommittee of experts on the deposit insurance system that will assemble Nov. 29 to consider the propriety of the proposal not to protect such interest, they said.

The ministry issued a set of policy guidelines June 8 that called for delaying, for five years, the proposed invoking of Japan's deposit insurance system, run by the government-backed Deposit Insurance Corp., into which institutions have paid annual premiums.

Under the guidelines, authorities pay depositors up to 10 million yen each from Deposit Insurance Corp. to prevent a run on the failing institution.

The system mandates that depositors who invest more than 10 million yen be asked to share the costs of liquidating a bank by losing a portion of their deposits above the prescribed limit.

The June 8 guideline, however, stopped short of saying whether or not the system should guarantee interest on top of principal, leaving financial authorities to decide on a case-by-case basis.

When Hyogo Bank, the biggest second-tier regional bank, collapsed late August under the weight of heaps of nonperforming loans, authorities moved to protect both principal and interest.

However, when Cosmo Credit Corp., a Tokyo-based credit union, collapsed July 31, the Tokyo Metropolitan Government asked depositors to waive their claims on some of the interest on their deposits.

Cosmo Credit solicited deposits by offering to pay an interest rate about 2 percentage points higher than those offered by major commercial banks for their large-lot time deposits.

When the now-disbanded Tokyo Kyowa Credit Association and Anzen Credit Bank went under last year, financial authorities compiled a bailout package and refunded both interest and principal of the depositors.

The Financial System Research Council panel will decide whether the authorities should obligate depositors to give up all of their interest or just reduce such high interest rates to normal levels when making refunds, they said.

There are still some calls inside MOF circles for guaranteeing both interest and principal payments from the standpoint of protecting all sorts of depositors, they added.

MOF Rules Out Public Funds for Loan Liquidation

OW1711151095 Tokyo KYODO in English
1436 GMT 17 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO — The Ministry of Finance (MOF) has decided not to use public funds to help financial institutions write off losses from the planned liquidation of seven debt-ridden housing loan companies, ministry sources said Friday [17 November].

A basic policy mapped out by the ministry for the liquidation calls on banks that founded the housing loan companies to write off about 3.8 trillion yen in losses stemming from their disposal, the sources said.

This means the founder banks must abandon all their loans to the seven housing loan companies, they said.

Agricultural financial institutions, which are major creditors of the seven companies, as well as other creditor banks, will write off 3.6 trillion yen in liquidation losses in proportion to their lending shares, the sources said.

The ministry thinks it possible for founder and creditor institutions to write off liquidation losses without government help, they said.

Supported by reduced fund-raising costs thanks to a fall in interest rates, those institutions have sufficient profits to offset the liquidation losses, the sources said.

Considering the government's tough fiscal condition, it would be difficult for the ministry to gain public understanding for the introduction of public funds in the issue, they said.

For their part, financial institutions are also shy about using public funds for fear that such a step might result in efforts to pursue their management responsibility, the sources said.

Under the proportional burden-sharing formula, agricultural financial institutions are to write off 2.1 trillion yen and nonfounder creditor banks 1.5 trillion yen.

But part of the liquidation costs allocated to agricultural financial institutions will be shouldered by nonfounder creditor banks, the sources said.

The Finance Ministry, the Agriculture, Forestry and Fisheries Ministry and the ruling coalition parties are expected to start mediation next week between founder banks and agricultural financial institutions to work out the liquidation scheme, they said.

Takemura on Liquidation of Housing Lenders

OW2111054695 Tokyo KYODO in English
0122 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — The government will craft a framework for the liquidation of bad loan-saddled housing loan companies by the end of this year as promised earlier, Finance Minister Masayoshi Takemura said Tuesday [21 November].

"Our policy to put together a disposal plan (for housing lenders) within this year remains unchanged," Takemura told a press conference after a regular cabinet meeting.

At the same time, Takemura said a solution of the issue should be based on negotiations among the parties concerned, and he expressed hopes for fruitful results in such talks.

Takemura also welcomed intensive discussion on the issue scheduled for this week and next week by a task force of the ruling coalition parties, which intends to present a proposal by the end of November.

Concerning a liquidation scheme for the failed Kizu Credit Union, Takemura said the ministry will soon unveil the updated total of bad loans and possible related losses at the Osaka-based credit cooperative, following a detailed investigation.

"Based on the figures, we have to make a comprehensive judgment on shares of the responsibility among parties concerned or commitment to a solution plan," Takemura said.

Takemura Confident About Overcoming Debt Issue

OW2111125595 Tokyo KYODO in English
1217 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — Finance Minister Masayoshi Takemura expressed confidence Tuesday [21 November] that the debt issue facing Japan's financial institutions will be overcome in a few years, ministry officials said.

The officials said Takemura made the statement during a meeting Tuesday with Donald Tsang, Hong Kong's financial secretary.

Tsang, currently in Tokyo, expressed concern over the issue, saying many Japanese banks are doing business in Hong Kong, the officials said.

Daiwa Bank's New York Branch Head Resigns

OW2011124895 Tokyo KYODO in English
1114 GMT 20 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 20 KYODO — Daiwa Bank announced Monday [20 November] the former head of its New York branch, held in custody over a scandal stemming from unauthorized bond trading losses, has retired from the bank.

Masahiro Tsuda resigned from the post as well as from the bank's board of directors soon after he was taken into custody by U.S. law enforcement authorities Nov. 2, bank officials said.

Tsuda was accused of forging official documents and conspiring in unauthorized bond trading by a trader who accumulated a loss of 1.1 billion dollars over an 11-year period.

Tsuda's retirement was approved after his letter of resignation arrived at the bank's head office in Osaka on Friday.

Bank officials declined to go into further details pending investigations in the case.

Daiwa Incident Reveals Damage to MOF Prestige

OW2011125395 Tokyo EKONOMISUTO in Japanese
21 Nov 95 p 15

[FBIS Translated Text] In connection with the Daiwa Bank issue, the Ministry of Finance [MOF] has been under heavy fire from the international community for not reporting to the New York Federal Reserve Bank about the incident until 18 September, although Daiwa Bank had informed MOF Banking Bureau Chief Yoshimasa Nishimura of the problem on 8 August.

However, what has shocked the MOF more is the fact that Daiwa has disclosed an 8 August tete-a-tete with the MOF. Because similar information was never made public in the past, this has done great damage to the prestige of the MOF, which is on the "downslide."

Why did Daiwa make the "secret" public? Daiwa reportedly said that U.S. financial authorities had sought Daiwa's detailed explanation of the incident's development. However, MOF officials have different views about Daiwa's attitude. A senior MOF official said: "I believe what Daiwa said is true. However, at the same time, it is also true that it made light of the MOF." Lately, not only the banking sector, but other sectors under the MOF's jurisdiction such as the securities and the insurance sectors, have begun assuming an attitude of "let us see how the MOF handles it."

Thus, its prestige has collapsed, and financial circles have begun keeping the MOF at a distance.

Although the MOF tries to control the financial sector with strong jurisdiction, the ministry has critical "vulnerability." It is said that not only officials at the budget bureau, but also those at the banking and securities bureaus, have been indulged with "excessive treats" offered by concerned sectors. If such a fact came to light in detail, the MOF would fall into outrageous chaos.

Subcommittee Proposes Breaking Up NTT

OW1711143695 Tokyo KYODO in English
1355 GMT 17 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO — A draft proposal of a government subcommittee on deregulation urges breaking up Nippon Telegraph and Telephone Corp. (NTT) to make it more competitive in the telecommunications field.

The draft also proposes eliminating the system of price-fixing for books and newspapers, and a step-by-step relaxation of the law governing large retail stores, according to a copy of the draft obtained by KYODO NEWS SERVICE on Friday [17 November].

The subcommittee of the government's advisory body on administrative reforms is expected to decide on the final form of its proposals Nov. 30 and submit its written report to the administrative reform committee on Dec. 7.

The committee, in turn, is expected to consider the proposals and pass them on to Prime Minister Tomiichi Murayama by the end of the year. The proposals will then be reflected in the government's revised deregulation plans in March.

In the draft proposals, the subcommittee argues that the system of fixed prices for books and printed goods, known as the sale price maintenance system, should be abolished to allow market mechanisms to work and allow consumers a greater choice.

The subcommittee's proposal is opposed by the newspaper and book publishing industry.

The subcommittee said it would be "desirable" if the break-up of NTT created a situation in which a monopolistic industry could become more competitive.

It called on the Electronic Communications Council, an advisory body to the Ministry of Posts and Telecommunications, to fully debate how NTT might best be deregulated.

As for the law governing large retail stores, the subcommittee proposed that the current law be observed as it is since local governments have created strong local regulations to guide the large stores.

At the same time, the subcommittee suggested that when the law is revised in 1997, the government gradually reduce restrictions on the hours the stores may be open and the number of holidays they must observe.

The subcommittee also called for greater transparency in the price supports system for agricultural goods, stressing the importance of a national debate, but did not suggest any fundamental changes in the system.

Other recommendations being considered by the subcommittee include an end to regulations on stockholding companies, an end to the licensing and fixed price systems for tobacco retailers, and a change in the securities industry from licensing to a registration system.

Association Head Advises Against Dividing NTT

OW2011091895 Tokyo KYODO in English
0657 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — Dividing Japan's telecommunications giant Nippon Telegraph and Telephone Corp. (NTT) will not be a good idea, considering the increasing competition in the world telecom market, the head of the communications equipment makers' group told a governmental panel Monday [20 November].

Shiko Sawamura, chairman of the Communications Industry Association of Japan, said, however, that the current controlled competition in Japan's telecom industry should be changed into fair competition based on market mechanisms, according to the panel members.

Sawamura made the comment at a meeting with members of the telecommunications council, an advisory panel to the posts minister.

He was invited to the meeting to give his opinion on the issue of the proposed splitting of NTT, together with Ken Ichiriki, head of the Telecommunications Services Association of Japan which has been formed by telecom-service operators.

The panel members said Ichiriki, meanwhile, asked them to establish a supervising organization to ensure fair practices by NTT when it allows telecom-service operators to connect their service networks with its own phone circuits.

Computerized Naval War Game System Introduced

OW1811123595 Tokyo KYODO in English
0140 GMT 18 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 18 KYODO — The maritime self-defense force (MSDF) has introduced a computerized naval war game machine that allows the MSDF to conduct computerized drills on the map, according to MSDF officials.

The 4 billion yen system, based on a war game simulation software package developed by the U.S. Navy, can input data on up to 2,000 naval ships, submarines and airplanes to carry out map exercises whose results are determined by a computer, they said.

The MSDF plans to use the system for map drills starting late this month at its school for senior officers in Tokyo, as well as for mapping out defense programs, they said.

"This system makes it possible to conduct map drills in a way that compares them more closely to exact drills without emotion because any decision is made by a computer," said Hiroyuki Yasuda, a senior officer at the maritime staff office.

To date, the MSDF has employed a probability-calculation method using dice to determine the results of map drills, making such drills subject to decisions by the MSDF personnel taking part in them.

Kubo: New Party Can Take Off Without Sakigake

OW1811123895 Tokyo KYODO in English 0318 GMT 18 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 18 KYODO — Wataru Kubo, secretary general of the Social Democratic Party (SDP) [of Japan, SDPJ], reiterated in a TV program Saturday [18 November] that the SDP should change itself into a new party even without the participation of New Party Sakigake [Harbinger].

"It is important to think about a merger (with Sakigake), but it's not a prerequisite for a new party," the SDP's No. 2 man said.

The SDP, led by Prime Minister Tomiichi Murayama, has been preparing to change itself into a new party involving all noncommunist liberal groups so as to have a better chance of winning the coming elections.

It has repeatedly asked Sakigake to join the proposed new party. Sakigake chief and finance minister Masayoshi Takemura has said his party could join the new party if its policies are taken into account.

The SDP and Sakigake form the ruling coalition together with the conservative Liberal Democratic Party.

LDP Candidate Wins Saga Prefecture By-Election

OW1911145495 Tokyo KYODO in English 1306 GMT 19 Nov 95

[Corrected version of ow1911124995, as supplied by KYODO]

[FBIS Transcribed Text] Saga, Japan, Nov. 19 KYODO — A candidate backed by the ruling Liberal Democratic Party (LDP) won Sunday's [19 November] House of Councillors by-election in Saga Prefecture, western Japan, in a poll billed as a prelude to the next general election.

The win by 53-year-old Hiromi Iwanaga of the LDP over three other candidates came as the party's first major electoral victory since International Trade and Industry Minister Ryutaro Hashimoto assumed the LDP presidency Sept. 30.

With 71 percent of the votes counted, Iwanaga had 132,414 votes, outnumbering those for three other candidates, including 88,758 votes for his main rival Toshimasa Amamoto, a 53-year-old former bureaucrat at the Construction Ministry and backed by the main opposition Shinshinto (New Frontier Party).

Hisahiro Shibata, a 53-year-old candidate backed by Prime Minister Tomiichi Murayama's Social Democratic Party, had 27,528 votes, while 47-year-old Yoshiyuki Matsuo, a candidate backed by the Japanese Communist Party, collected 17,643 votes. [Original KYODO version grafs three and four read "With 38 percent of the votes counted, Iwanaga had 73,135 votes, outnumbering those for three other candidates, including 49,479 votes for his main rival Toshimasa Amamoto, a 53-year-old former bureaucrat at the Construction Ministry and backed by the main opposition Shinshinto (New Frontier Party).

Hisahiro Shibata, a 53-year-old candidate backed by Prime Minister Tomiichi Murayama's Social Democratic Party, had 14,192 votes, while 47-year-old Yoshiyuki Matsuo, a candidate backed by the Japanese Communist Party, collected 8,427 votes.]

The voter turnout rate was 56.25 percent, up from 42.54 percent in the July 1995 upper house poll, according to the election committee.

Sunday's by-election halted the LDP's poor electoral performance since February when it lost the gubernatorial election in northern Aomori Prefecture to a Shinshinto candidate.

The outcome of the upper house by-election in Saga Prefecture, a rural prefecture and a stronghold of the LDP, the biggest partner in Prime Minister Tomiichi

Murayama's tripartite ruling coalition, came as the first major setback for Shinshinto since it was formed last December in a merger of nine opposition parties.

The by-election was widely viewed as a battle between Iwanaga and Amamoto with their two parties looking at the poll as providing a clue on which party might be the winner in the next general election.

Iwanaga, a former chairman of the Saga Prefectural Assembly, will replace Seijiro Otsuka, an LDP member, who died of liver failure Oct. 3 at the age of 74. Otsuka was serving a second six-year term in the upper house. Iwanaga will finish out the remainder of Otsuka's term that runs until July 1998.

Latest Table of Parliamentary Strength

OW1911130095 Tokyo KYODO in English
1228 GMT 19 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 19 KYODO — The following is a new table of parlimamentary strength in both houses of the Diet after Hiromi Iwanaga of the Liberal Democratic Party won Sunday's [19 November] House of Councillors by-election in Saga Prefecture.

House of Representatives	House of Councillors
Ruling Coalition	
LDP 209	LDP 111
SDP 63	SDP 39
New Party Sakigake 22	New Party Sakigake 3
Opposition	
Shinshinto 170	Heisei Kai 68
JCP 15	JCP 14
Minshu-no-kai 6	Sangiin Forum 5
New Democratic Club 3	Shin Ryokufu-kai 4
Independent Club 2	Niin Club 4
Independents 8	Independents 4
Vacancies 13	Vacancies 0
Total 511	252

Note: LDP is the Liberal Democratic Party, SDP is the Social Democratic Party, and JCP is the Japanese Communist Party.

Nissan Opens Seoul Office for Joint Project

OW2111080395 Tokyo KYODO in English
0741 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — Nissan Motor Co. said Tuesday [21 November] it has established an office in Seoul to promote development of its joint passenger car project with Samsung Motors Inc. of South Korea.

The new office at Samsung Motors' head office is aimed at advancing the project by facilitating closer communication with the Korean automaker, Nissan said.

By the time production preparations get fully under way in the latter half of 1996, Nissan plans to dispatch more than 100 resident employees to the office, which currently has a staff of 32.

In April 1994, Nissan and Samsung Heavy Industries Co. concluded a technical assistance agreement covering four areas — development of new car models for Samsung, support for assembly plant construction and operation, support for parts localization, and support for vehicle sales and service operations.

The South Korean Government last December gave Samsung Heavy Industries permission to enter the passenger car market, Nissan said.

It also said Samsung Motors is building a plant in Pusan, which is due to start operating in January 1998.

More than 150 workers of Samsung Motors have undergone technical training at Nissan's plants, and about 1,500 employees are scheduled to receive such training before production begins at the Pusan plant, the major Japanese automaker added.

Group Investigates Trade Possibilities With Cuba

OW2111054595 Tokyo KYODO in English
0312 GMT 21 Nov 95

[FBIS Transcribed Text] Havana, Nov. 20 KYODO — A Japanese business inspection team arrived in Havana on Monday [20 November] to exchange views with Cuban leaders on the bilateral trade relationship.

During its four-day stay, the 18-member mission from the Japan Cuba Economic Conference (JCEC) is scheduled to hold talks with Vice President Carlos Lage, who is in charge of Cuba's open-door economic policy, and Foreign Trade Minister Ricard Cabrisas.

There is a strong possibility that Cuban President Fidel Castro will meet the mission because the socialist Caribbean nation is eager for investment by Japanese companies.

This is the first JCEC mission to Cuba since 1989. The inspection team is headed by Takehiko Tsuchiya, chairman of the JCEC and consultant to major trading house Nissho Iwai Corp.

Japan's trade relations with Cuba are now dwindling, reflecting a delay in Cuba's repayment of its 2 billion yen official and commercial debts to Japan.

In 1994, Japan's exports to Cuba totaled 23.8 million dollars, while its imports from that nation amounted to 63.2 million dollars.

Database Service on 2 Million PRC Firms Begins

OW2111090695 Tokyo KYODO in English
0827 GMT 21 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 21 KYODO — The Association for the Promotion of International Trade, Japan (Kokubosoku) has begun a database service to provide information on two million Chinese companies, officials said Tuesday [21 November].

The Janet database service offers the names of representatives, sales, products and 18 other items of information about the registered Chinese companies as well as relevant data, including local companies having close ties with them, for Japanese firms wishing to do business or form joint ventures with Chinese companies, the officials said.

Data used by the service are sent from business organizations and local governments in China through computer networks and are subject to updating from time to time, the officials said.

Kokubosoku sends requested information to users by mail or fax.

Service fees are set at 1,500 yen for information on a Chinese company requested by Kokubosoku members and 2,500 yen for nonmembers. If users ask Kokubosoku to pick a Chinese firm that can meet their conditions, the fees rise to 50,000 yen for members and 60,000 yen for nonmembers.

North Korea

U.S., KEDO Delivering Heavy Oil 'as Scheduled'

SK2111065395 Pyongyang KCNA in English
0640 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — The United States and the U.S.-led KEDO (Korean Peninsula Energy Development Organization) are delivering heavy oil to the Democratic People's Republic of Korea as scheduled to reimburse it the energy loss by its frozen nuclear program according to the DPRK-U.S. agreed framework adopted on October 21, 1994, and the DPRK-U.S. joint press statement on June 13, 1995.

The U.S. and KEDO have shipped to Sonbong port all of 50,000 tons which they had to deliver in first three months after the publication of the agreed framework and 100,000 tons which they were to deliver by October this year.

From now on, KEDO has to deliver 500,000 tons every year until the construction of light water reactor No. 1 is completed in the DPRK by KEDO under the U.S. leadership.

In this regard, KEDO recently informed the DPRK of the schedule of the first 500,000 tons to be delivered from November this year to October next year.

As long as the U.S. discharges its obligation without fail under the DPRK-U.S. agreed framework, the DPRK will as ever continue what we have to do.

WPK Delegation Leaves for Western Europe

SK1811103395 Pyongyang KCNA in English
0939 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — A delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of the party Central Committee, left here today to visit western European countries.

The delegation was seen off at the airport by Yim Sun-pil, vice-director of a department of the WPK Central Committee.

WPK Sends Greetings to Cyprus Party Congress

SK1911083595 Pyongyang KCNA in English
0634 GMT 19 Nov 95

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] on November 16 sent a message of greetings to the 18th congress of the Progressive Party of the Working People of Cyprus.

It noted with high appreciation that the Progressive Party of the Working People of Cyprus, maintaining principles of socialism, is actively struggling to defend the democratic rights and vital interests of the workers and other working people and the peace and security of the world.

It wished the 18th congress success in its work.

Arrival of Flood Relief From Egypt, Others Noted

SK2111090795 Pyongyang KCNA in English 0857 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — Foodstuffs, daily necessities and other relief goods sent to flood-stricken areas of the Democratic People's Republic of Korea by the International Federation of Red Cross and Red Crescent Societies and the American Aid and Japanese Rescue Committee for Cambodia arrived on November 17 and 20 by ship and plane.

Meanwhile, a plane carrying food sent by the Egyptian Ministry of Defense and military production arrived here on November 18.

The relief goods have been supplied to flood sufferers.

Choe Kwang-Led Delegation Arrives in Pakistan

SK2011141695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 20 Nov 95

[FBIS Translated Text] The DPRK military delegation led by Comrade Choe Kwang, marshal of the Korean People's Army, member of the Political Bureau of Central Committee of the Workers Party of Korea, vice chairman of the DPRK National Defense Commission, and minister of the People's Armed Forces, arrived in Islamabad, Pakistan on 19 November for a visit.

Greeting the delegation at the airport were (Chamshid), assistant secretary of the Pakistani Defense Ministry; other figures from relevant sectors; the DPRK ambassador to Pakistan; and other DPRK Embassy staff, including the military attache.

Korean-Japanese Hiroshima Victims Visit

SK1811053795 Pyongyang KCNA in English 0330 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — A home-visiting group of Korean A-bomb victims in Hiroshima Prefecture, Japan, led by Yi Silkun, chairman of the Hiroshima Prefectural Council of Korean A-Bomb Victims, arrived in Wonsan on Friday.

Also arriving was the 250th short-term home-visiting group of Koreans in Japan.

Japanese Writer's Criticism of View on History

SK1811072395 Pyongyang KCNA in English 0628 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — A South Korean newspaper quoted Makoto Oda, a Japanese writer, as criticising Japan for trying to escape its responsibility for the past and the present, far from having a correct view of the disgusting history including the colonial rule over the Korean peninsula and endeavouring to settle the issue.

He was speaking at a recent seminar sponsored by the headquarters of the All-People Movement for Settlement of the Past Between South Korea and Japan.

As the first measure to settle the issue, he said, the background of the "Korea-Japan annexation" must be clarified and the South Korea-Japan "agreement" that has underlain bilateral relations over the last 30 years must be abrogated.

Tokyo Symposium on 'Aggression' Against Korea

SK2011095295 Pyongyang KCNA in English 0846 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, November 18 [date as received] (KNS-KCNA) — A symposium for rethinking about Japan's aggression on Korea from the international legal and historical point of view was held at Meiji University in Tokyo on November 11.

Prior to the symposium, Prof. Narihiko Ito at Juo University said in her speech that to refute the Japanese authorities' wrong assertion that the "treaties" concerning Japan's colonial rule over Korea were "legally signed", it is necessary for the international jurists of Japan to make scientific study of this question.

The symposium proved the nullification of the "Korea-Japan Annexation Treaty" with historical facts and from the international legal point of view.

Prof. Fukuju Unno at Meiji University said at the symposium that recent argument in favour of "legality" of the "Korea-Japan Annexation Treaty" is related to the insincere attitude of the Japanese Government towards liquidation of the past.

The participants in the symposium demanded apology for the colonial rule and liquidation of the past.

Japanese Teachers Send Letter to Kim Chong-il

SK1811101895 Pyongyang KCNA in English 0930 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The great leader Comrade Kim Chong-il received a letter from the participants in the 19th national meeting of Japanese teachers for the study of the chuche idea.

The letter said that the meeting was characterized by its opening to celebrate the 50th anniversary of the foundation of the Workers' Party of Korea and mark the lapse of 50 years since the war ended.

It noted that the meeting heard a keynote report and lectures on the subject "50 years after the end of the war and relations between Japan and Korea", reports and speeches at the three subcommittees of theory, educational practice and the movement for Japan-Korea friendship and solidarity.

"We are more deeply convinced that the chuche idea is an ideological guarantee which thoroughly defends the independence of the people and leads them to an ideal society based on human relations full of love and trust and it is the sole guideline with which we can shape the future even in the present complicated time," it added.

"We teachers pledge that through the current meeting, we will more deeply study the chuche idea and disseminate it among many fellow teachers and, at the same time, strengthen friendship and solidarity between Japanese and Korean peoples and contribute to the independence of Japan and the world."

Japanese Teachers Studying Chuche Hold Meeting

SK1811095095 Pyongyang KCNA in English
0925 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The 19th national meeting of Japanese teachers for the study of the chuche idea was held in Fukushima Prefecture on November 12 under the theme "Congratulations to Workers' Party of Korea [WPK] on 50th anniversary and for early diplomatic relations between Japan and DPRK."

In his keynote report at the meeting, Masagazu Yokobori, secretary general of the Liaison Council of Japan Societies of Teachers for the Study of the Chuche Idea, said the WPK is courageously fighting to implement the behests of President Kim Il-song under the leadership of His Excellency Kim Chong-il.

The reporter wished the WPK great progress in the efforts for the strengthening of the party, victory in socialist construction, the independent and peaceful reunification of Korea and global independence.

He stressed the need to broaden the study and dissemination of the chuche idea among Japanese teachers and activate the movement for support to the independent and peaceful reunification of Korea, early normalisation of Japan-DPRK diplomatic relations, liquidation of all national discrimination within Japan and intensified friendship and solidarity between Japan and the DPRK.

A letter to the great leader Comrade Kim Chong-il was adopted at the meeting.

The meeting also adopted an appeal for fulfilment of the tasks set out in the keynote report.

ROK Students Vow To Punish Kwangju 'Culprits'

SK1811053995 Pyongyang KCNA in English
0337 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The November issue of the South Korean monthly magazine MAL reported that student Chong Tae-hong, chairman of the South Korean Federation of University Student Councils, evinced the firm determination to punish Chon Tu-hwan and No Tae-u, the main culprits of the Kwangju massacre, without fail.

In an interview with a journalist of the magazine, he said that to punish Chon Tu-hwan and No Tae-u, who murdered innocent people of Kwangju, is necessary to correct the wrong history and uproot those who may kill people in the future.

He stressed that they would arrest and punish at firsthand Chon Tu-hwan and No Tae-u through death-defying corps. Groups involving more than 3,000 will be formed to arrest those responsible for the Kwangju bloodbath, he added.

He declared Kim Yong-sam must know that if he acquits the criminals who murdered innocent people, instead of charging them with the murder, he will become the second human-killer.

ROK Attempts To Forge Anti-North Alliance

SK1811052495 Pyongyang KCNA in English
0351 GMT 18 Nov 95

["Useless Political Conspiracy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — South Korea's puppet Foreign Minister, Kong No-myong, had "talks" with his Japanese counterpart Kono in Japan on November 15.

It was reported that they "agreed to hold regular discussions of foreign ministers" of South Korea, Japan and the United States over some "issue" of the DPRK.

Lurking behind it is a sinister intention of the South Korean puppets to hinder the improvement of relations between the DPRK and the United States and between the DPRK and Japan. They fear that improved relations between them should cut their lifeline — dependence on the United States and Japan.

In a telephone dialogue with Clinton on November 16, Kim Yong-sam said "It is important for South Korea and the United States to send a strong allied message to North Korea." Kong No-myong argued that "It is very important to hold talks of foreign ministers of South Korea, Japan and the United States lest North Korea should use 'Japanese card' or 'U.S. card.'" This all reveals the sinister intention of the puppets.

The Kim Yong-sam group, however, are mistaken.

It must go unnoticed that Japanese Foreign Minister Kono agreed with the puppets' argument and promised that Japan would have close contact with the South Korean Government over the Japan-DPRK relations. [sentence as received]

No third party including the South Korean puppets is not supposed to meddle with the issue of DPRK-Japan relations. [sentence as received]

Kono's remarks go against the spirit of the "agreement for the resumption of DPRK-Japan talks," which stipulates that the issue of bilateral relations should be settled in an independent, self-determined way in the interest of the two peoples.

Japan must not take part in the sinister plot of the Kim Yong-sam group, a colonial puppet.

The Kim Yong-sam group must act with discretion, mindful that if they attempt to meddle with the issue of improvement of relations between the DPRK and the United States and between the DPRK and Japan, they will meet a disgraceful setback.

Former Heads of ROK Bank on Slush Funds

SK1811072995 Pyongyang KCNA in English
0630 GMT 18 Nov 95

["Much Money Offered to No Tae-u" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — Yi Tong ho, who was president of the Industry Bank and "home minister" under the "sixth republic," and Yi Hyong-ku, former "labor minister," offered a colossal amount of money to the traitor No Tae-u, a South Korean radio reported.

This fact was disclosed on November 14 as a result of the prosecution's investigation.

Yi Tong-ho lent out facility funds of the Industry Bank, up to 10,000 billion won a year, to comprador businesses and received a 1.5-2 percent commission, which he offered to "Chongwadae [presidential offices]" as secret funds.

Yi Hyong-ku also presented a huge sum of money to "Chongwadae" while he was president of the Industry Bank.

It is estimated that the secret funds collected through the loan of facility funds, a loan of more than three years, to comprador businesses will be at least 50 billion won.

ROK Students Demand Disclosure of 1992 Funds

SK2011040995 Pyongyang KCNA in English
0226 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — Some 500 students affiliated with the South Korean Federation of University Students Councils (Hanchongnyon) on November 18 rallied and demonstrated, demanding the making public of the traitor Kim Yong-sam's "presidential election" fund in 1992 and of how the traitor No Tae-u used slush fund and the punishment of the murderers of Kwangju citizens, a Seoul-based radio reported.

After a rally at Yonsei University, the students burned the traitors Chon Tu-hwan and No Tae-u in effigy. They collided with the police, chanting slogans denouncing the crimes of Kim Yong-sam group.

ROK People Comment on No Tae-u, Kim Yong-sam

SK1811103295 Pyongyang KCNA in English
0938 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — Voices demanding the traitor Kim Yong-sam step down as regards the "slush fund scandal" of the traitor No Tae-u are ringing more loudly from among the South Korean people from all walks of life, according to Radio Voice of National Salvation [VNS] from Seoul.

Min Sun-cha, an inhabitant residing in Chongno District, Seoul, said that she has clearly realized through the "slush fund scandal" of the traitor No Tae-u that the bosses of robbers and swindlers in South Korea are those in power.

"Kim Yong-sam is also a robber," she said, adding:

It is self-evident that Kim Yong-sam is zealously patronizing No Tae-u, to repay No's "favour" because he could come to power thanks to the fund he had received from No and to cover up his ill-gotten wealth.

Kim Yong-sam must not conceal the "slush fund scandal" but clarify its seamy side, open to the public the "presidential election" fund he received from No and step down as soon as possible.

Ha Sang-un, a worker living in Inchon, said: It is told that No's slush fund exceeded 1,000 billion won. It should be investigated to the last. Kim Yong-sam must make public the sum of the presidential election fund he received from No Tae-u and the seamy side of slush fund he has collected till now and be judged by the people.

A student of Seoul National University, Chu Kwang-il, said:

No Tae-u, the ringleader of the May 18 incident, rode high and mighty under privileges because Kim Yong-sam has patronized him.

No Tae-u and Kim Yong-sam are the same kingpins of irregularities going against the people. How can Kim Yong-sam blame No Tae-u, this being the fact?

It is the unanimous demand of the people to remove Kim Yong-sam as well as No Tae-u.

Seminar on Tangun, Ancient Korea Held

SK1811112395 Pyongyang KCNA in English 0949 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The third seminar on Tangun and ancient Korea was held here for three days from November 15.

Published there were more than 40 papers showing the research achievements in widely analysing the remains and relics belonging to the period of ancient Korea, which were newly discovered in the area of Pyongyang, and reestablishing the development of the history of ancient Korea and the ancient history of Korea as a whole while further developing in depth the past successes of research into Tangun and ancient Korea.

Present there were academicians, professors, doctors, historians, archaeologists and linguists of the Academy of Social Sciences, and teachers of universities and senior middle schools.

Many scholars and teachers spoke about the questions arising in systematizing the ancient history of Korea in a chuche-based way and about research into the remains and relics newly discovered in the area of Pyongyang.

They proved in detail the birthplace of Tangun on the basis of an analysis of "Pakdal" in which Tangun was born and said that his birthplace can be supposed to be the area of Mt. Taebak in Kangdong near Pyongyang.

The speakers divided the period of ancient Korea, which was formed in the early 30th century B.C. and existed nearly 3,000 years, into three parts, three dynasties at large, and made a concrete analysis of the period of existence of each dynasty, concrete division of the period and its realm.

According to them, the area of the whole of Korea, which was built in Pyongyang in the early 30th century B.C., comprised the area of northwest Korea from the low reaches of the River Han in the south to the reaches of the River Amnok in the north. It covered most of the Korean peninsula and a broad area from the low reaches of Liaohe to the upper reaches of the Songhua River after the middle of the 3,000s B.C., when it was strong.

Pyongyang was the centre of ancient Korea, judging from the characteristics of ancient castles unearthed in the area of Pyongyang.

In its early period Korea of Tangun had eight departments as the central ruling organs and built townships as the local ruling system. It had a hierarchy as the bureacratic status system. The king of Tangun's Korea realized a state rule, subordinating marquises and local nobles to the royal authority and controlling the council of departments which was formed with nobles in the capital.

The slave system of ancient Korea assumed the nature of home slavery. This system fell down rapidly in the latter half of the 1,000s B.C. and feudal relations appeared and developed steadily within it.

Puyo was founded as a marquisate of Tangun's Korea in the latter half of the 3000 B.C. Its original territory included Jiaohe in the east, Yitonghe in the west, the upper part of east Liaohe in the south and the right bank of Lalin he in the north. Its capital was in the Mt. Dongdan area in the suburbs of Jilin.

Kuryo existed as a marquisate under political rule of Tangun's Korea. It was separated from ancient Korea around the 14th century B.C. and had foreign relations with ancient states of China as an independent state in the 11th century B.C.

Groups of people in the central area of Tangun's Korea moved south in the middle of the 3000s B.C. as a result, the middle and the south of Korea were placed under political, economic and cultural influence of Tangun's Korea. A group called Han eventually became the leading force and was included by ancient Korea as a marquisate, which was the origin of Jinguk, an ancient state.

The foreign relations of ancient Korea were characterized by strong independence, flexibility, sagacity and bold decision.

Culture of ancient Korea developed in the earliest period in the world and was on a very high level. Pyongyang was the centre of ancient culture.

Talk Accuses South of 'Flunkeyism'

SK1811031795 Pyongyang Korean Central Broadcasting Network in Korean 0752 GMT 13 Nov 95

[Unattributed talk: "Love of the Nation and the Spirit of National Independence Are the Ideological Basis of Great National Unity"]

[FBIS Translated Text] In the 10-point program of the great unity of the whole country for national reunification, the great leader Comrade Kim Il-song taught that we should unite based on love of the nation and the spirit of national independence.

As taught by the respected leader, the basis of great unity of the whole country is love of the nation and the spirit of national independence. The great unity of the nation can be realized and consolidated only when it is based on common ideal of the nation.

The common ideal of Korean people is love of the nation and the spirit of national independence. The nation is a solid group of people which has been formed and developed over time, and is a unit of social life.

People jointly pioneered their destinies while living historically with the nation and people as a unit. The issue of a nation is, in essence, the issue of safeguarding and realizing the independence of the nation.

The independence is the life of a nation. One cannot think of a nation's existence or development apart from independence. The nation should link each individual's destiny with the nation's destiny as one and should unite with one intention to ardently love the nation and to safeguard national independence as one's life.

The life of an individual as a member of the nation is within the life of the nation. Only when national independence is realized, can the independence of each individual be attained. If the nation becomes subjugated to others, no one will be able to evade the situation as a part of a ruined, homeless race.

For this reason, people have come to love the nation and treasure national independence, even though the nation consists of various classes and circles, and they will struggle in unity for the nation.

It is a common idea and sentiment for members of the nation to love their nation and to treasure the independence of their nation. No ideology can be placed above the common ideal of the nation. This is furthermore an indispensable demand for our nation which has been divided for more than half a century by outside forces.

If the whole nation sets forth love of the nation and the spirit of national independence as the common ideological basis in the struggle for national reunification — a long-cherished desire of the nation — the nation will certainly be able to achieve great unity. We have proud tradition and experiences achieved by the great leader [suryongnim], who put forward the chuche-oriented idea and line of great unity of the nation in the entire course of leading the revolution and construction, and led the struggle to realize them.

If the whole nation assumes the idea of having an ideological basis for great national unity that was expounded by the great leader, and struggles in unity as the common guideline by making effective use of tradition and experiences achieved by the great leader, our nation will certainly be able to achieve great unity and realize national reunification on its own strength.

By elucidating the ideological basis for great national unity, the great leader emphasized that our nation should reject flunkeyism and national nihilism, which spoil the spirit of national independence, and cherish the nation's dignity and pride.

Flunkeyism is a very harmful ideology of recklessly looking up and serving a big country without a thought about the nation's dignity and honor. National nihilism is an idea of subservience which neglects and thinks light of all outstanding and excellent things in the nation by not trusting its own strength.

Flunkeyism and national nihilism are equally dangerous, poisonous ideological elements that ruin the nation and people. They basically negate the spirit of national independence. If a nation is soaked into flunkeyism and national nihilism, it will loose its national dignity and pride, and will not be able to demonstrate the spirit of national independence nor will it be able to avoid national subjugation. This is a serious lesson that appears in our nation's history.

Even today, flunkeyism and national nihilism are causing grave consequences in our nation's struggle for dignity and sovereignty.

The anti-national forces in South Korea, who are engrossed with the flunkeyist idea of relying on outside forces, are staging daily large-scale northward aggressive war exercises to harm the fellow countrymen with the United States by following outside forces. By doing so, they reversed the situation on the Korean peninsula, which was advancing in the direction of detente and peace, and ruptured North-South dialogue intended for reconciliation and unity, as well as the implementation of agreements.

Furthermore, the treacherous Kim Yong-sam clique in South Korea is recklessly running wild as the stooge for executing the war policy of the U.S. imperialists, and is bringing dark clouds of nuclear calamity over the head of the nation. Thus, the Kim Yong-sam group is laying very grave obstacles on the road of reunification.

Facts show that for the nation to achieve national reunification and national independence, the whole nation should achieve great pannational unity based on love of the nation and the spirit of national independence, and should thoroughly oppose and reject the flunkeyist idea and national nihilism that spoil the spirit of national independence.

Indeed, the idea on achieving great national unity based on love of the nation and the spirit of national independence put forward by the great leader is the banner inspiring all fellow countrymen to reunification and is a patriotic torchlight enabling our nation to pioneer its destiny with its own strength.

When all fellow countrymen in the North, the South and overseas achieve great unity under the banner of great unity of the whole country elucidated by the great leader, national reunification can be expedited.

Building of Party With Prospects Stressed

SK2111082895 Pyongyang Korean Central Broadcasting Network in Korean 2242 GMT 19 Nov 95

[Unattributed talk: "The Immortal Achievement That Built Our Party With Prospects"]

[FBIS Translated Text] Today, the Workers Party of Korea [WPK] takes pride in being the party of the great leader [suryong] Comrade Kim Il-song and the party with prospects which ceaselessly inherits the leader's [suryong] cause for generation after generation.

All party members and people are overflowing with a boundless feeling of admiration for the fatherly leader [suryong] with each passing day, beholding the ever-victorious and invincible might of the WPK. In addition, from the bottom of their hearts they feel how noble the leader's achievements are.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: The great leader Comrade Kim Il-song built our party with prospects so it can firmly inherit its cause for generation after generation. Building the party with prospects is the independent cause of the popular masses and the inevitable demand of the party's development.

With outstanding foresight, the great leader Comrade Kim Il-song had an insight into the historic inevitability of the inheritance of the party's cause, possessing it at an early date. In addition, he firmly laid the foundation, enabling our party to brilliantly inherit and consummate the chuche revolutionary cause.

Thinking ahead to the future, the great leader [suryongnim] brilliantly elucidated the road upon which our party and revolution must embark, firmly preparing the party's organizational and ideological basis and the leadership system to inherit and consummate the chuche revolutionary cause.

We should also have a correct ideological and theoretical guidelines for building the party with prospects. The great leader brilliantly solved this problem. Comrade Cho Yong-kil, secretary of the Pyongyang Municipal Moranbong District party committee, comments as follows.

[Begin Cho recording] In the course of the 100 years plus a few decades that was needed?to build the working class party, there was no other great leader than the respected and beloved Comrade Kim Il-song who laid an eternal foundation for leading the party to firmly inherit the popular masses' cause for independence for generation after generation, the process clearly ending his life. The respected and beloved Comrade Kim Il-song built the party with prospects so it can firmly inherit the popular masses' cause for independence for generation after generation. This is an immortal achievement that can be only gained by the great leader, who had a high sense of duty, who possessed foresight, and who wanted to be held fully responsible for the destiny of today's party, revolution, fatherland, and people, as well as their future destiny.

In building the party, the great leader, regarding the guarantee for inheritance as one of the basic principles of our party building, fully and profoundly elucidated theoretical and practical problems, such as inheriting the party's ideology and the unitariness of its leadership, as well as adhering to, inheriting, and developing the party's revolutionary tradition. This becomes a programmatic guideline that we should firmly adhere to in the struggle to build our party with prospects. [end recording]

Today, our party is demonstrating the might as the revolutionary party which is firmly inheriting the respected and beloved leader Cormade Kim Il-song's ideology and leadership generation after generation and as the militant party which has resolutely maintained the lineage of chuche. This is because there is the ideology and theory on ensuring continuity in party building that the leader [suryong] presented.

The achievements of the great leader [suryong] — who brilliantly elucidated the road to strengthen and develop our party into a promising party which inherits and consummates the party's cause with absolute purity by defining it as the basic principle in party building to guarantee continuity for the first time in history — will shine forever together with the history of our party.

What is important in the achievements of the great leader Comrade Kim Il-song who has built our party with prospects is that he has most outstandingly resolved the issue of inheriting the leadership in conformity with the aspirations and demands of the times and the people.

Genuine revolutionaries and progressive mankind of the world today unanimously say that the only party which has brilliantly resolved the issue of inheriting its leadership both theoretically and practically is precisely the WPK.

That the issue of inheriting our party's leadership has been outstandingly resolved in conformity with the aspirations of the times and the people is the proud fruit that the greatness of the respected and beloved Comrade Kim Chong-il and the far-sightedness of the great leader [suryong] have produced.

The great Comrade Kim Chong-il is boundlessly loyal to the leader [suryong] who founded the party and pioneered the revolutionary cause. He is also a competent leader [yongdoja] equipped with the gifted ability to brilliantly inherit and develop the chuche revolutionary cause.

The history of the great general's leadership in our party and the revolution has continued for 30-odd years. This long period is shining as a proud chronicle in which the respected and beloved general's boundless loyalty to the leader [suryong] of the revolution and his gifted ability have been fully demonstrated.

Throughout the historic days, the great general has brilliantly resolved the task of formalizing the respected and beloved leader Comrade Kim Il-song's revolutionary ideology into a monolithic system of ideology, theory, and method and effected great changes amazing the people of the world in all fields of the revolution and construction, including the fields of party building, Army building, economic construction, and cultural construction, under the slogan of modeling the whole society after the chuche idea. Thus, he has unfolded a great golden age in the era of the Workers Party.

The loyalty of the great general to the leader [suryong] and his gifted ability are being vigorously demonstrated at a more lofty level even today when the fatherly leader [suryong] passed away.

The respected and beloved general has been upheld as the leader [yongdoja] of our party and revolution because of his boundless loyalty to the leader [suryong] and because of his outstanding ability which no one can follow.

While he was alive, the great leader [suryong] expressed great satisfaction with the fact that the entire party, the entire Army, and all the people firmly united as one mind around the respected and beloved Comrade Kim Chong-il to inherit and consummate the revolutionary cause. He also did all things that he could do in order to establish the party's organizational and ideological foundation and its leadership system.

The respected and beloved leader Comrade Kim Il-song is the great revolutionary and the great leader [suryong] who passed away after establishing the firm foundation which can brilliantly inherit and consummate the revolutionary cause while he was alive.

Today, the great leader [yongdoja] Comrade Kim Chong-il is leading the revolution and construction to the single road of victory with high dignity. Our party which is upholding the great Comrade Kim Chong-il at its head is precisely the invincible party that has the might capable of brilliantly inheriting and consummating the chuche revolutionary cause generation after generation.

Because the respected and beloved Comrade Kim Chong-il is with us, our promising party which is inheriting the leader's [suryong] cause generation after generation without faltering, exists and the future of the chuche revolutionary cause is bright.

Our people will maintain forever, generation after generation, the immortal achievement of the great leader [suryong] who has built our party with prospects and will uphold with loyalty the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership.

NODONG SINMUN Stresses WPK Achievements

SK1811094795 Pyongyang KCNA in English 0921 GMT 18 Nov 95

["WPK's Great Achievements in Revolution, Construction" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The Workers' Party of Korea [WPK], since its birth, has consistently expanded and strengthened its ranks and led the revolution and construction along the straight road to victory, and in this course performed great feats, which will shine for ever in history.

NODONG SINMUN stresses this in a signed article today.

It says:

The WPK paved an original path to establish the socialist system and achieved precious feats and experience in the course.

After the liberation of the country, the party, with a deep insight into the peculiarities of the historical development of our country and the objective requirement of social development, set the anti-imperialist, anti-feudal democratic revolution as its immediate action programme and worked hard to carry it out.

This revolution was thoroughly carried out on the principle of realizing the popular masses' demand for democracy and, at the same time, making preconditions for transition to the socialist revolution.

In the three years of the hard-fought fatherland liberation war our party powerfully mobilized the People's Army officers and men and the people to victory in the war. It was under the wise leadership of the party Central Committee headed by the great Comrade Kim Il-song, the ever-victorious iron-willed brilliant commander, that our People's Army and people could defeat the U.S. imperialists boasting of being the "strongest" in the world and defend freedom and independence of the fatherland.

Our party put forward the revolutionary policy, a policy that the style of economic management should be transformed into socialist one before the technical reconstruction, and transformation of style of economic management and human remoulding be closely combined with each other, and administered the correct class policy. As a result, socialist transformation of relations of production in towns and the countryside was smoothly carried out in a very short period of 4-5 years, with a shortcut to socialism opened.

Basing itself on a clearcut insight into the natural demand of the revolutionary movement as a struggle for the masses' independence, the circumstance surrounding our country and the historical peculiarities of the Korean revolution, our party has strictly adhered to the principle of chuche in ideology, independence in politics, self-support in the economy and self- reliance in national defence.

The party has resolutely defended the sovereignty of the country and the nation by embodying the revolutionary line of independence and built people-centred socialism in this land by victoriously hewing out the untrodden path to socialism.

The party has constantly maintained the national reunification policy based on the three principles — independence, peaceful reunification and great national unity. Today our nation's desire for reunification is unprecedentedly growing and all the compatriots in the North, South and overseas are vigorously turning out in the reunification struggle, closely rallying themselves as one under the banner of national reunification, irrespective of differences in ideology, political view and religious belief. This is entirely a brilliant fruition of our party's correct policy and consistent struggle for the reunification.

The immortal exploits performed by our party in the revolution and construction are entirely a result of the wise leadership of the great leader Comrade Kim Il-song and respected Comrade Kim Chong-il.

Paper Marks Anniversary of Pyongyang Institute

SK1811141395 Pyongyang KCNA in English 0737 GMT 17 Nov 95

["Let Us Glorify Forever Exploits Performed by the Great Leader Comrade Kim Il-song for Army Building" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA) — NODONG SINMUN today dedicates an editorial to the 50th anniversary of the foundation of Pyongyang Institute by the great leader Comrade Kim Il-song.

The editorial says among other things:

The foundation of Pyongyang Institute by the great leader Comrade Kim Il-song on November 17, 1945, was a historical event of undying significance in pushing ahead with the cause of chuche-based army building which started in the thick forests of Mt.Paektu and in strengthening and developing our revolutionary Armed Forces into an invincible one.

The foundation of the institute was a shining fruition of the far-reaching plan and leadership of Comrade Kim Il-song to train faithful and competent revolutionary backbone of our revolutionary Armed Forces. It opened a broad avenue for [?building the revolutionary] Armed Forces under the difficult conditions right after the liberation of Korea from the Japanese [?imperialists'] colonial rule and enabled our revolutionary Armed Forces to invariably inherit the glorious traditions of the anti-Japanese revolutionary struggle.

Both in view of its foundation and the history of its strengthening and development and of its mission and duty for the times, our Army is the army of the great leader Comrade Kim Il-song and of the party.

Comrade Kim Il-song brought up many revolutionary hardcore members of our revolutionary Armed Forces.

This is one of his great achievements in the chuche-based army building.

All the revolutionary backbone of our revolutionary Armed Forces of the first, second and third generations of the revolution are the revolutionary soldiers grown up under the guidance of Comrade Kim Il-song.

The great leader Comrade Kim Il-song steadily increased the politico-ideological potentials and military and technical power of the People's Army and built up the national defence power as firm as an iron wall, which is a great exploit in the chuche-based Army building.

Our socialist cause is firmly defended from the frantic war provocations of the imperialists because of the mighty self-reliant military power provided by Comrade Kim Il-song all his life.

The cause of the chuche-based Army building started by the great leader Comrade Kim Il-song is brilliantly carried forward and developed by the respected Supreme Commander Comrade Kim Chong-il, a genius of military affairs of our times.

It is not until respected Comrade Kim Chong-il's guidance began that great changes have been effected in the chuche-based army building.

Since the leader who pioneered the cause of army building was great and the leader who is carrying forward the cause is great, proud today and a hopeful future are in store for our revolutionary Armed Forces, the editorial adds.

Daily Encourages 3-Revolution Red Flag Movement

SK1811094395 Pyongyang KCNA in English
0913 GMT 18 Nov 95

["NODONG SINMUN Calls For Stepping Up Three-Revolution Red Flag Movement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — NODONG SINMUN today carries an editorial on the 20th anniversary of the start of the three-revolution red flag movement (November 1975).

Under the headline "Let Us Raise the Torch of the Three-revolution Red Flag Movement Higher" the editorial says:

Twenty years ago, the great leader Comrade Kim Chong-il commenced the three-revolution red flag movement. It was an event of weighty significance in developing the mass movement onto a higher stage and accelerating the cause of modelling the whole society on the chuche idea.

In the course of conducting the three-revolution flag movement the loyalty of party members and the working people to the party and the leader has become more intense, the political and ideological unity and cohesion of the whole party and whole society have been cemented as firm as a rock and the chuche character and independence of the national economy have been further strengthened. Also, the cultural and technical levels of the working people have risen, a signal progress has been made in making all the members of society intellectual and modern socialist way of production and life has been established strictly.

Today this movement has been definitely turned into a campaign involving all people and all areas of society and a work of the masses themselves under the leadership of the party.

It was thanks to the wise leadership of Comrade Kim Chong-il that the Korean people could achieve a great victory in all fields of the revolution and construction through the powerful three-revolution red flag movement in the past period and thus fully display the validity and invincible vitality of our party's policy of mass movement.

Comrade Kim Chong-il personally initiated the three-revolution red flag movement, a communist mass movement of highest level, which opened a new horizon in Korea's history of mass movement, and has led it so energetically that its flames could spread widely.

To dynamically conduct this movement is the consistent policy of the Workers' Party of Korea, which reflects the unshakable determination and will of Comrade Kim Chong-il to build a communist paradise in this land invariably holding the red flag of three revolutions high, the flag associated with the high ambition and great efforts of President Kim Il-song.

Meeting Marks Pomminnyon's Fifth Anniversary

SK2111050795 Pyongyang KCNA in English
0251 GMT 21 Nov 95

[FBIS Transcribed Text] Pyongyang, November 21 (KCNA) — A meeting was held here on Monday to commemorate the fifth anniversary of the formation of the National Alliance f?r the Country's Reunification (Pomminnyon).

Pomminnyon is an umbrella organization of the nationwide reunification movement which was formed on November 20, 1990 with the three principles of national reunification—independence, Peaceful reunification and great national inity—which were set out by the North and the South in the July 4, 1972 joint statement, as the basic guideline of its activities.

The formation of Pomminnyon made it possible to firmly unite all the compatriots of broad segments at home and abroad aspiring after national reunification under the banner of national reunification, regardless of religious belief, political view and is?, and powerfully conduct the reunification movement in the North, South and abroad with their joint efforts.

Paek In-chun, chairman of the North side headquarters of Pomminnyon, made a report at the meeting.

Congratulatory messages from the South side headquarters and the overseas headquarters of Pomminnyon were conveyed at the meeting.

The South side headquarters of Pomminnyon in the message said that they will do their best to implement the program and rules of Pomminnyon and articles of resolutions of the pan-national rallies. It called upon the fellow countrymen in the North, South and abroad, to pool intelligence and strength and create a shining history of national reunification.

The overseas headquarters of Pomminnyon in its message said: Pomminnyon should wage a just struggle for the reunification through confederacy by pooling the strength and wisdom of the fellow countrymen in the North, South and abroad, conscious of the fact that Pomminnyon is the hardcore force of reunification movement.

The reporter said that the formation of Pomminnyon was an event of epochal significance in strengthening the driving force of national reunification and expanding and developing the movement for national reunification on a nationwide scale.

To achieve the reunification of the country is the behest of the great leader Comrade Kim Il-song and the steadfast will of the great leader General Kim Chong-il, the reporter said. He stressed the need to further strengthen Pomminnyon, enhance its role and more actively conduct the reunification movement.

The South Korean puppets are getting more frantic in confrontation with the North and new war manoeuvres against the North, he noted, and said:

The puppet Kim Yong-sam is a traitor who is opposed to reunification, more heinous than the preceding fascist rulers in dependence on outside forces and treacheries, confrontation within the nation and war manoeuvres.

We must encourage all the compatriots of broad segments at home and abroad to more powerfully turn out in the struggle to realize the most reasonable and realistic proposal for reunification through confederacy, as this proposal was defined as the way of reunification common to the nation at the great national conference which was held on the occasion of the 50th anniversary of the country's liberation and Pomminnyon determined to take the lead in the struggle for th? reunification through confederacy at the sixth pan-national rally.

ROK Gives No Tae-u 'Special Treatment'

SK1811054095 Pyongyang KCNA in English
0334 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The traitor No Tae-u, the main culprit of the "slush fund scandal" in South Korea, was put into the Seoul prison on the evening of November 16, according to a radio report from Seoul.

When he was being taken to the prison, No ambiguously said "I alone take all responsibilities" and "I will go with all mistrust and discord implanted in the minds of politicians."

In other words, he meant that he alone is not responsible for irregularities and scandals and if he opens his mouth, many fellows as well as the present ruler will be accused and, accordingly, they must look after him to make him keep mum.

Upset by the ever-growing wrath and protests among all segments of people, the Kim Yong-sam group reluctantly took him to prison, in an attempt to quell them down and prevent the "slush fund scandal" from being expanded. It is also a preventive measure to fence off more severe criticism which will come from an extensive investigation into the "slush fund scandal."

The Kim Yong-sam group is giving a "special treatment" to the traitor No Tae-u, who is now under custody. It has already worked out a plan to release No any time if an opportunity presents itself.

This detention is nothing but a clumsy drama scripted by the main culprit of the illegal scandal and his accomplice to momentarily extricate themselves from their poor lot, unable to endure strong pressure and coercion from public opinion any longer.

Land, Marine Transportation Day Celebrated

SK2011090395 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 15 Nov 95

[FBIS Translated Text] Today is the land and marine transportation day. All functionaries and working class of the land and marine transportation across the country are feeling boundless gratitude to the fatherly leader and the great leader [widaehan yongdoja] Comrade Kim Chong-il, who gave them true reward and honor of life. They are filled with the firm resolve to faithfully uphold the great general and devote all their loyalty. Reporter

Kim Mi-ok of the Central Broadcasting interviewed Kim Yong-il, director of the Marine Transport Ministry, and Kang Yun-nam, chief of staff at the General Bureau of the Land Transportation.

[Begin recording] [Kim Mi-ok] On the occasion of the land and marine transportation day, I believe you have something to say.

[Kim Yong-il] Yes. Every year on this day, all functionaries and working class of the marine transportation express their boundless gratitude and greetings to the fatherly leader and the great leader [widaehan yongdoja] Comrade Kim Chong-il, who provided a bedrock for chuche-oriented marine construction and showed off to the world the dignity and honor of marine transportation functionaries.

All functionaries and working class of our ministry fulfilled the cargo boat transportation plan by 102 percent as of 15 November, before the land and marine transportation day. In particular, the Marine Combined General Bureau made a proud achievement of overfulfilling all indexes of the yearly plan for the transportation and control of trade cargo boats by ensuring the cargo boats are ready for arriving cargoes and by properly conducting a technical management of boats.

Large-scale work sites under the ministry and Pyongyang Marine Transportation Work Site, and many other units completed their annual transportation goals before 10 October. The Marine Transport Ministry is able to always excellently overfulfill the ministry's national economic plan thanks to the wise leadership of the fatherly leader and the great general.

Our leader [suryong] and great general have been to all modern trade ports, shipbuilding plants, and piers. On every phase of the development of the revolution, the fatherly leader and the great general elucidated the direction for the marine transportation for hundreds of times. The fatherly leader and the great general have taken good care of our crewmen by ensuring they eat apples, red pepper, soy paste, and vegetables from the fatherland when they are far away from the fatherland, and gave us the true reward of life.

[Kang] That is right. Under the wise leadership of the fatherly leader and the great general, the automobile transportation bureau has thoroughly implemented the policy to make the bureau chuche-oriented, modern, and scientific, and has smoothly met the increasing demand of the national economy for automobile transportation. The fatherly leader and the great general built automobile stations in all provinces, cities, and counties, as well as automobile repair and parts centers in all provinces, and wisely led us to foster drivers and technicians in a systematic and planned manner.

For our people's convenience in transportation, the fatherly leader and the great general gave us great love and benevolence by providing passenger lines with a network encompassing mountain villages in the northern end of the fatherland and villages along the demarcation line. Thanks to the great general's great love, the capital Pyongyang and other major cities now have trolleys on electric railways. Amid the great general's warm love and care, many drivers have grown to be meritorious drivers, heroes, and deputies of the Supreme People's Assembly, reliably working for the country's automobile transportation network.

In the future, too, we pledge to thoroughly implement the fatherly leader's will by brilliantly overfulfilling the national economy's transportation plan, and firmly defend and glorify our chuche-based socialist country and fatherland in a manner befitting the fighters of the great leader [widaehan suryong] and disciples of the great general. [end recording]

Report on Electricity Production at Power Plants

SK1811073095

[FBIS Editorial Report] The following is a compilation of news reports carried by Pyongyang Korean Central Broadcasting Network in Korean and Pyongyang Korean Central Television Network in Korean from 4 to 16 November on electricity production at North Korean power plants.

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 4 November carries an under-minute report on small- and medium-size power plants in Kangwon Porovince accelerating electric power production. The report says: "In particular, electricity producers at power plants in the province, including Poptong and Kamdun power plants, are overfulfilling electricity production every month by vigorously waging the struggle to operate generators at full capacity" and "small- and medium-size power plants in Sepo and Pangyo Counties are effecting an innovation of regularizing daily electric power production at a high level."

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 5 November carries a one-minute report on power plants in North Hamgyong Province. The report says that the power plants in the province have recently increased their daily electricity production "by 1.3 times on the average, compared to that of the same period of last month" and that "the 15 March Hydroelectric Power Plant and the 16 June thermal Power Plant" in the province are accelerating their daily electricity production plans.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 5 November carries a one-minute report on the newly built Yonggwang No. 1 generator in Yonggwang County which is accelerating electric power production, saying that "electric power producers at the generator are producing more electricity than planned, to supply to local plants in the county."

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 10 November carries a less-than-a-minute report on Hochonggang, Changjagang, and Changjingang power plants; 17 March Hydroelectric Power Plant, Taedonggang Hydroelectric Power Plant, and Ganggye Chongnyon Power Plant accelerating elctric power production, saying that these plants have regularized their electric power production at a high level by "introducing various technological innovation suggestions."

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 11 November carries an under-minute report on Pyongyang Thermal Power Plant accelerating a struggle to increase the production of electricity and heat. The report says that the plant "has completed the technological improvement work on its no. 3 boiler and is carrying out the technological improvement work on its no. 5 boiler at a final stage."

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 12 November carries an under-minute report on Changjingang Power Plant accelerating technological improvement work on transformers. The report says that "much more electricity has been produced as a result of the technological improvement work on transformers in the plant."

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 14 November carries a one-minute report on the power transmission and distribution station in Manggyongdae District, Pyongyang carrying out electricity conservation work by establishing an alternate production system involving plants, enterprises, and cooperative farms.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 14 November carries a brief report on Namgang power plant which says that the plant is recently "increasing the success in electric power production by adjusting the water level in a scientific and technological manner and operating generation facilities at full capacity."

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 15 November carries a brief report on Changjingang Power Plant which "produced much more eelctricity by improving generation facilities."

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 15 November carries a brief report on Taedonggang Hydroelectric Power Plant accelerating electric power production. The report says that the plant is "accelerating electric power production with a high target to produce 20 million kw more than its plan by the end of this year."

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 16 November carries a brief report on the 17 March Hydroelectric Power Plant accelerating electric power production. The report says that "the No. 1 Generation Workshop has carried out its daily electric power production plan by more than 40 percent" by actively introducing reasonalble ways in enhancing the efficiency of waterfall.

South Korea

U.S. Concern Over DPRK Called 'Unusual'

SK2111094595 Seoul CHOSON ILBO in Korean 21 Nov 95 p 2

[Article from the "Reporter's Pocketbook" column by political reporter Kim Yon-kwang: "Message of Warning From the United States"]

[FBIS Translated Text] The United States has repeatedly warned that North Korea may instigate provocations. In the 20 November edition of TIME magazine, the news weekly stated that it is likely that North Korea may make a "desperate choice."

On 16 November, U.S. President Clinton phoned President Kim Yong- sam and stressed that "it is necessary to deliver a powerful message to North Korea." This is unusual. Following this, Vice President Gore reiterated the U.S. concern when he met with President Kim during the APEC meeting in Osaka.

The ROK Government describes the U.S. concern as "unusual," in that, outwardly, "signs of North Korea's provocations have not grown significantly." Meanwhile, a large number of government officials apparently cannot contain their embarrassment over the assessment that the "U.S. warning is not intended for North Korea, but for our government." To quote a top-level government official:

"These days, U.S. policymakers are expressing strong doubt about the ROK Government's ability to handle a crisis situation on the Korean peninsula. They say they do not know where the ROK is headed regarding its reunification policy. The U.S. Government appears to have decided to come up with its own crisis management plan for the Korean peninsula. They question 'whether we have the will and capability of coping with any contingency on the Korean peninsula.'"

The United States is also suspicious about the ROK Government's self-administrative capabilities. When the ROK National Assembly recently asked the U.S. Congress for information on the North Korean nuclear program, it reportedly declined the request, saying: "All information finds its way to North Korea within 24 hours because the ROK National Assembly is exposed to North Korea."

What then, is to happen to North Korea? The light-water reactor negotiations which North Korea and the Korean Peninsula Energy Development Organization have been holding in New York, are now headed for an early conclusion. When the light-water reactor supply agreement is concluded and the United States and Japan establish diplomatic relations with North Korea, $6-10 billion in assistance will flow into North Korea. The entire course is tantamount to the course of North Korea overcoming its diplomatic isolation, economic difficulties, and political instability. Even while asking foreign countries for a hand in connection with flood damage, North Korea sent armed spies to South Korea, and North Korean agents "openly" met with former student activists even after identifying themselves.

This being the case, the controversy over "whether we should seek reunification through absorption or not" is a mere luxury. While all our eyes and ears are focused on the "greatest political turmoil, ever," we are letting the initiative in the reunification issue slip through our fingers.

DPRK Reportedly Cancels U.S. Economic Visit

SK2111101295 Seoul KBS-1 Radio Network in Korean 0800 GMT 21 Nov 95

[YONHAP from Tokyo]

[FBIS Translated Text] In a dispatch from Washington, Japan's SANKEI SHIMBUN today reported that North Korea suddenly canceled its plan to send a high-level government delegation, led by the director of the Americas Division of the DPRK Foreign Ministry, to the United States toward the end of this month.

The delegation, led by Yi Hyong-chol, director of the Americas Division, comprises responsible officials from the Ministry of Trade and the Economic Policy Committee. It was supposed to visit the United States toward the end of this month to discuss economic issues with the United States in Washington, the paper stated.

The discussion of economic issues was supposed to be participated in by Hubbard, U.S. deputy assistant secretary of state, in connection with North Korea's economic development, particularly the development of the Tumen River free economic and trade zone. However, North Korea recently informed the United States of the cancellation of the delegation's visit.

Hyundai Motors Floats Bond Through U.S. Market

SK2111021995 Seoul YONHAP in English 0050 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — Hyundai Motor Co. recently floated bonds totaling 150 million United States dollars through private placement in the U.S. capital market, the company said Monday.

Private placement refers to the issue of debt security which is essentially placed with a selected group of chiefly institutional investors, rather than being offered to the bond market as a whole by an underwriting syndicate.

Hyundai's private placement was the first of its kind ever made by a Korean business in America.

The automaker's privately-placed bonds, redeemable in 10 years at an annual interest rate of 7.33 percent, will be placed with selected American institutional investors, with Morgan Bank serving as lead manager, Hyundai announced.

It will use the funds thus raised in the U.S. capital market for the development of next-generation, strategic car models for export as well as new engines and transmissions, it added.

Military To Prepare for DPRK 'Emergency'

SK2111091095 Seoul YONHAP in English 0855 GMT 21 Nov 95

[FBIS Transcribed Excerpt] Seoul, Nov. 21 (YONHAP) — President Kim Yong-sam said Tuesday that North Korea, despite its extreme economic difficulties, is continuing to hold military exercises as well as increasing the level of its slander against South Korea through broadcast channels.

After briefed on the overall national administration conducted during his visit to Japan by Prime Minister Yi Hong-ku, the president instructed Defense Minister Yi Yang-ho by telephone to carefully watch the move of Pyongyang's military.

He also told Yi to "prepare for emergency situations and not to show any weak points."

Noting that the communist North criticizes him through 130 broadcasts a day, Kim said, "North Korea is even broadcasting scathing statements like 'get rid of Kim Yong-sam.' " [passage omitted]

Amnesty Official on DPRK, ROK Human Rights

SK2111085095 Seoul HANGYORE SINMUN in Korean 21 Nov 95 p 8

[Interview with Ross Daniels, chairman of the International Executive Committee of Amnesty International, by reporter Chong Ui-kil on 20 November in Seoul]

[FBIS Translated Text] [Chong Ui-kil] What is the purpose of your visit to the ROK?

[Ross Daniels] I came here to attend an international conference on "A new international order in the post-Cold War era and human rights —national security and human security." I am also visiting here to examine national security-related laws and regulations of Asian countries and, in particular, take issue with the ROK's National Security Law. The ROK's economic progress plays an important role in its human rights situation. Seeing how the economic factor affects the development of the human rights movement in the ROK and the human rights situation is my duty as chairman of the International Executive Committee.

[Chong] How do you assess the ROK's human rights situation compared with its economic development?

[Daniels] The ROK has acquired important conditions for improving the human rights situation, such as its dynamic economic development and the democratically elected government. However, nothing has changed about the National Security Law. This is a major concern of Amnesty International. There is no reason that the National Security Law exists, and its existence is unjustifiable. If President Kim Yong-sam is to make reform to build a clean society to conform to international standards, it is high time he reform the National Security Law.

[Chong] Some people argue Amnesty International carries out its activities based on Western values.

[Daniels] We carry out our activities based on not Western values but internationally accepted values. No one compels a country to abide by the international covenants on human rights, to which the ROK is a signatory. We carry out our activities based on those values and demand that countries abide by those values.

[Chong] How do you gather and confirm information on a closed country like North Korea? Some people point out that the report on the North Korean human rights situation is politically misused by the ROK Government.

[Daniels] It is very difficult to gather information on North Korea. Still, we have done that for the past 35 years. We have accumulated experiences during the closed Cold War era. In gathering information on the North Korean human rights situation, we employ the same methods we do in other countries, while paying attention to the correctness of the information. We also go through many procedures to confirm the information. The only difference is that it is difficult to gather information on North Korea.

I cannot disclose how we gather information in detail. We cannot do anything about the ROK Government's misuse of the North Korean human rights report. An open discussion could be a way to improve the credibility of the North Korean human rights report. What we must be cautious of is the thinking that South Korea's human rights situation is better than that of North Korea. We do not say that one's human rights situation is better than that of the other. We demand that countries abide by internationally accepted values.

Foreign Minister Views DPRK Ties, APEC

OW2011134595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 8

[FBIS Translated Text] ROK Foreign Minister Kong No-myong gave an interview to NIHON KEIZAI SHIMBUN on 19 November, and stressed the need for the early resumption of the ROK's dialogue with the DPRK (North Korea).

In the interview, given in an Osaka hotel during his Japan trip to attend the Asia Pacific Economic Cooperation (APEC) forum, Kong stated, "North Korea has the wrong idea that it can deal with Japan and the United States without the ROK." He also criticized North Korea's refusal of the ROK's direct involvement in construction of the light-water reactors granted by the Korean Peninsula Energy Development (KEDO). He stressed the ROK should play an active role in the aid project.

Kong said that at the 17 November meeting the foreign ministers of Japan, the United States, and the ROK agreed to take coordinated actions on North Korean policy. However, he noted that this was "not aimed at isolating North Korea," but at promoting North-South dialogue. He then noted North Korea is reportedly trying to repeal the armistice concluded after the Korean war, saying "it is an extremely dangerous attempt."

In the 18 November meeting with ROK President Kim Yong-sam, Prime Minister Tomiichi Murayama offered the principle that "Japan and the ROK should maintain close consultations concerning contacts with North Korea." Kong said he welcomes the results of the Murayama-Kim talks. However, he added that Japan should be more careful about the sentiments of the Korean people. He stated: "The Korean people would react emotionally if Japanese leaders in official positions say something that goes against the policies of the Japanese Government."

Commenting on APEC's Action Agenda for regulating principles for liberalizing trade and investment, Kong said that APEC adopted flexible farm trade rules, and "the ROK's opinion was accepted" in this field. He then criticized Malaysia's position "to not be restricted by the Action Agenda," noting: "The Action Agenda is a voluntary program, and it is not meaningful to discuss its restrictive power."

Efforts To Export Nuclear Power Plants Reported

SK2111112395 Seoul TONG-A ILBO in Korean 21 Nov 95 p 20

[Article by Song Ha-un: "Ulchin No. 3 and 4 Reactors Seek 'Asian Standard'"]

[FBIS Translated Text] Brisk efforts are underway to export nuclear power plant technology, including "ROK-style reactors" that have been widely reported on in relation to North Korea's nuclear problem.

Domestic organizations involved in constructing and operating nuclear power plants have launched an active offensive, including technological support, in an attempt to successfully sign contracts for constructing nuclear power plants in Southeast Asia and the Middle East where the technological standard falls below our own.

The Korea Electric Power Corporation [KEPCO] and Korea Nuclear Power Research Institute [KNPRI] are striving to offer technological support to these countries on operating nuclear power plants, as well as to participate in evaluating the construction of nuclear power plants in an effort to export the plants to these countries independently or through a consortium with foreign business firms.

KEPCO signed a contract in 1993 for providing technological consultation on operating, maintaining, and repairing the Guangdong No. 1 and 2 nuclear power plants in the PRC. KEPCO is now carrying out this project.

This year, KNPRI began to offer technological consultations on constructing the Akkuyu [as published] nuclear power plant in Turkey, and has already forwarded a second-stage report. In addition, KNPRI plans to complete a report by September 1996 regarding consultations on a contract for constructing the Akkuyu nuclear power plant.

In particular, in order to build a plant in the PRC, KNPRI intends to jointly develop with the PRC a Chinese or Asian-standard nuclear power plant based on the ROK-style nuclear power plant. When KNPRI advances into the Southeast Asian markets, it will compete, in cooperation with China, with the United States, France, and Japan.

Last year, the government concluded an agreement with the PRC on technological cooperation; this year, relevant organizations are actively pushing ahead with technological cooperation. KEPCO, together with the China Nuclear Industry General Corporation, is now examining the technological and economic aspects of constructing nuclear power plants in the PRC. KEPCO plans to complete the final report early next year.

In addition, KEPCO is actively moving to participate in the first-phase construction project of two nuclear power plants in the third-phase of the Guangdong project (the plan to build six 10-million-megawatt-class nuclear power plants) through a consortium with foreign enterprises. KEPCO has submitted a plan to examine the feasibility of developing an Asian-standard nuclear power plant based on Ulchin No. 3 and 4, which are the standard ROK-style nuclear power plants.

KEPCO is also pushing for joint participation with the United State's Combustion Engineering company to construct modified reactors (two units of 10-million-megawatt-class) in the Lungmen [as published] area in Taiwan. Taiwan plans to accept bids for this project for the second time later this year. KEPCO put forward a plan for a joint venture with the Canada Atomic Energy Corporation to build a research-purpose nuclear reactor in Thailand. KEPCO also decided to jointly review the feasibility of introducing nuclear power plants to Vietnam and the Philippines, doing so with the Canadian corporation.

Our nation has already worked out a system to construct and operate its own unique, standardized nuclear power plant. According to the system, the period required for constructing a plant is shorter and the cost is less than others. In addition, our nation has experience in constructing nuclear power plants, having done so on 16 occasions, which includes seven plants that are presently under construction; it is also experienced in regards to their operation. Therefore, our nation is confident of its international competitiveness.

When compared to the cost of building a nuclear plant in foreign countries, the expenses required by our enterprises are the same as those of France, which is regarded as a successful representative in terms of the standardization of nuclear plants. The period of construction by our enterprises is longer than that of Japan, but five to 10 months shorter than that by the United States and France.

Domestic experts feel that since exports of nuclear power plants include transferring technology on construction and operation, there is a great possibility that Southeast Asian countries would prefer our country to advanced nations because it is easier for them to obtain knowledge from the ROK in order to achieve technological self-reliance.

Agreement With Indonesia Doubles Weekly Flights

SK1911044995 Seoul THE KOREA HERALD in English 19 Nov 95 p 8

[FBIS Transcribed Text] Korea and Indonesia agreed to increase the number of weekly flights from the current three to seven beginning next April at the latest round of aviation talks.

The Construction and Transportation Ministry announced the change yesterday, following the two-day aviation talks which concluded in Seoul Friday.

In addition to a hike in flight frequency, the two sides also agreed to expand the number of destinations allowed in each country to a maximum of four.

With the change, Korea's both airlines, Korean Air and Asiana Airlines, will be able to fly to Jakarta, Bali and two additional destinations. Indonesia's Garuda Airline will be allowed to serve Seoul and three other cities within Korea.

"The additional routes are technically possible beginning next month. But the exact timing is left to individual airlines," said a ministry official.

The anticipated jump in weekly flights to seven includes the Seoul-Bali route Korean Air initiated earlier this year under a separate commercial agreement.

Halla Chairman Pays Visit to Egyptian President

SK2111051795 Seoul YONHAP in English 0219 GMT 21 Nov 95

[FBIS Transcribed Text] Cairo, Nov. 21 (YONHAP) — Chong In-yong, chairman of South Korea's Halla Business Group, paid a courtesy call on Egyptian President Husni Mubarak Monday to discuss ways for the conglomerate's advance into Egypt.

As the first South Korean businessman to meet the Egyptian leader, Chong said he expressed his intention to pursue opportunities in the Middle Eastern country in the fields of cement, iron and steel, automobile parts, paper and shipbuilding.

South Korean Ambassador to Egypt Chong Tae-ik and Egyptian Minister of Enterprise and Minister of State for Administrative Development and Environment Affairs 'Atif Muhammad 'Ubayd were on hand at the meeting, respectively.

After the meeting, Chong met with Ibrahim Fawzi 'Abd-al-Wahid, Egyptian minister for industry and mineral resources, to discuss details of his business in Egypt and sign a memorandum of understanding on mutual cooperation and Cairo's support for Halla.

Meanwhile, Mubarak expressed his hope to visit South Korea at the meeting. His Foreign Minister 'Amr Mahmud Musa is reportedly planning to visit Seoul in February of next year in preparation for a summit between the two nations.

Former President Questioned at Detention Center

SK2111040495 Seoul THE KOREA HERALD in English 21 Nov 95 p 3

[Report by staff reporter Kang Song-chol]

[FBIS Transcribed Text] Former President No Tae-u, who is awaiting trial for corruption, was questioned by prosecutors at a detention house outside Seoul yesterday.

In the first interrogation since his arrest last Thursday, prosecutors grilled him on his alleged campaign financing in the 1992 presidential election and other uses of his slush fund.

The questioning was made as the prosecution is poised to take action against a number of business tycoons and confidants of No in connection with the scandal.

A former senior presidential secretary, Kim Chong-in, is set to present himself to the prosecution for questioning today over his suspected links to the slush fund.

Some news reports said, meanwhile, that the prosecution is also considering summoning former top military officials in connection with corruption over military procurement programs.

In a related move, the prosecution ordered a probe into rumors that more than 30 politicians have been confirmed to have received illicit money from No and businesses.

The order was issued following the circulation of a leaflet containing the names of ruling and opposition politicians who allegedly took the money.

The document named 31 politicians, including 11 of the ruling Democratic Liberal Party and 14 of the opposition National Congress for New Politics.

A prosecution spokesman said those who spread the rumors will be arrested for libel. The alleged funneling of No's money into political circles has recently emerged a hotly contentious issue.

No was questioned by prosecutors Mun Yong-ho and Kim Chin-tae in a special interrogation room attached to his lone cell at the Seoul Detention House in Uiwang in the southern suburbs of Seoul.

The interrogation is to determine the details over his corruption charges before his formal indictment, which is to be made by Dec. 5, the prosecution said.

The 62-year-old No was arrested and put in the detention house, charged with having taken 235.9 billion won ($310 million) from 30 businesses in return for awarding them lucrative government projects, including infrastructure and military procurement programs.

No's warrant is good for 10 days, during which the prosecution can add more charges. The detention period can be extended only once, by 10 days, before formal indictment.

Investigators previously said that they had pinpointed the sources of much of the 100 billion won slush fund No confessed to raising, but some still remained unaccounted for.

No is the first former president to face legal action for misdeeds committed in office. If convicted, he could face 10 years to life in prison.

A day after his arrest, Yi Hyon-u, his former chief bodyguard, was also arrested and sent to jail on charges of bribery.

Prosecutors indicated that a number of other arrests will be made this week in connection with the nation's largest slush money scandal.

They are expected to include businessmen who gave bribes to No, and confidants who served as middlemen and helped the former President hide his fortune.

The confidants being mentioned include Kim Chong-in, Rep. Kum Chin-ho, a brother-in-law of No, and a former lawmaker Yi Won-cho. Kum and Yi will be recalled to the prosecution this week, following the questioning of Kim.

The three were banned from leaving the country last week.

DLP Not To Disclose Contributions

SK2111041195 Seoul THE KOREA HERALD in English 21 Nov 95 p 2

[FBIS Transcribed Text] The ruling Democratic Liberal Party [DLP], which once considered the possibility of making public former President No Tae-u's alleged contribution to the party in 1992, has decided not to disclose it until the prosecution completes its probe into No's slush fund scandal.

"We have no intention of disclosing (No's) contribution to our presidential campaigns (until the probe is over)," said party Chairman Kim Yun-hwan yesterday.

Former President No himself should disclose how much he gave to President Kim Yong-sam and opposition leader Kim Tae-chung during their election campaigns, Chairman Kim said.

Last month, opposition leader Kim admitted that he had received 2 billion won from No. The confession dealt a blow to his image and is threatening his alleged bid for the presidency in 1997.

Ruling party Chairman Kim also dismissed as groundless reports that President Kim plans to issue a public statement soon to disclose his position on allegations that part of No's slush fund was funneled into his election campaigns.

"Now is not the opportune time (for President Kim) to make such a public statement. It should be made after the conclusion of the prosecution's probe into the No case," Chairman Kim said.

He made these remarks in response to claims by opposition parties that President Kim, who heads the ruling party, received a large sum of money from No for his election and should apologize for the matter.

Chairman Kim's remarks were in contrast with the early indication by some ruling party officials that the party was weighing the disclosure of the amount of No's contribution to President Kim's campaign.

The officials said the party's disclosure of the matter is inevitable if No, who was arrested on bribery charges last week, refuses to tell the story.

They also hinted that No gave a large sum to President Kim for his election campaign through lawmakers loyal to the President.

Angered by the ruling party's refusal to disclose President Kim's campaign fund, the main opposition National Congress for New Politics plans to intensify its offensive against President Kim and his ruling party.

For this, the main opposition party led by Kim Tae-chung decided to rally together members of the party's central committee, the second-highest organization after the national convention, Friday.

The rally will adopt a resolution calling for President Kim's disclosure of his campaign fund, a National Assembly hearing on No's corruption and a thorough probe into former lawmaker Yi Won-cho, who is suspected of helping No coll?ct his slush fund, a party official said.

The hard-line stance by Kim Tae-chung's party is the result of its judgment that the ruling party will begin bashing Kim in earnest after putting an end to the controversy over campaign funds at an early date.

"President Kim is scheming to find a way out of the current political quagmire by pushing the redrawing of electoral districts," said a spokesman of the opposition party.

Another opposition party, the United Liberal Democrats, urged the ruling party to disclose President Kim's campaign fund so that the nation's politics could be put back on normal track.

Kim Chong-pil, leader of the opposition party, expressed worries that the slush fund scandal is dealing a blow to the nation's economy.

Kang Sam-chae Hints at More Money

SK2111055795 Seoul YONHAP in English 0507 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — Secretary-general Kang Sam-chae of the ruling Democratic Liberal Party (DLP) hinted Tuesday that there might be some hard evidence to prove that opposition leader Kim Tae-chung received more than the 2 billion won he admitted to having accepted from ex-President No Tae-u.

In a telephone interview with the Christian Broadcasting System's morning news program, Kang said, "I, as the ruling party's secretary-general, simply can't say rumors only... Everything will be bought to light in due course of time through the prosecution's investigation.

"President Kim (Tae-chung of the National Congress for New Politics Party) was suspected of having received secret funds (from No) whenever there was an important political event, and when he confessed to having received from No 2 billion won for his campaign funds in the 1992 presidential election, some of the suspicions turned out to be true."

Sources close to the ruling camp said that through the prosecution's probe of the No scandal, Kim is suspected not only of having received money from the former president's slush fund but also of having collected political contributions from large businesses.

Kang asserted, "in the 1987 presidential election, President Kim helped Mr. No win the election by joining the race as an opposition candidate just a month before the voting date. In 1989, he also helped Mr. No by breaking the agreement of the then three opposition parties (including his new Democratic Party) to hold a national referendum on the No government's mid-term achievements, and he again helped Mr. No when his government dealt with the wrongdoings committed by the Fifth Republic led by Chon Tu-hwan."

He then reiterated his call for the opposition leader's retirement from politics, noting the arrival of a new era of reforms in the nation's politics.

The DLP official cited a recent poll that showed that 70 percent of those surveyed believe Kim Tae-chung had money dealings whenever there was an important political event. He then expressed his hope that the opposition leader's confession at a Catholic church of not having accepted even a penny more than the 2 billion won that he admitted to will prove to be true.

He dismissed rumors concerning the purge of politicians as groundless but said politicians implicated in the No scandal would not be able to dodge an investigation.

Kang said the prosecution would make public the amount of political funds that his party received during the 1992 presidential elections through further questioning of No. The ruling party's secretary-general added that if the prosecution's revelation is deemed insufficient, the party will announce what the judicial authorities failed to uncover.

"If we, instead of Mr. No as the giver or the prosecution as the investigator, reveal it now, the people and the opposition would not believe us," he claimed.

Remarks Called 'Dirty Trick'

SK2111060495 Seoul YONHAP in English 0535 GMT 21 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 21 (YONHAP) — Pak Chi-won, spokesman of the main opposition National Congress for New Politics (NCNP), criticized the ruling Democratic Liberal Party (DLP) Tuesday of pulling a "dirty trick" by hinting that opposition leader Kim Tae-chung may have received more than the 2 billion won that he confessed to having accepted from ex-President No Tae-u.

Commenting on the remarks of Kang Sam-chae, secretary-general of the DLP, Pak sid, "It is a dirty trick to damage the image of NCNP President Kim Tae-chung and efface the focal point of the current political situation caused by ex-President No Tae-u's slush fund scandal."

The NCNP spokesman added that the DLP secretary-general, despite monopolizing information to himself, has presented no evidence that proves that the NCNP president accepted more money from No. However, Pak continued, Kang is continuing his attempt to defame

NCNP President Kim as well as work out a plot against him.

"If the ruling party continues this dirty trick, then we will have no alternative but to damage the image of President Kim Yong-sam," Pak said.

Earlier in the day, Kang said to a news program of the Christian Broadcasting System, "President Kim (Tae-chung) was suspected of having received secret funds (from No) whenever there was an important political event, and when he confessed to having received from No 2 billion won for use as campaign funds in the 1992 presidential election, some of the suspicions turned out to be true."

Former President's Son Resigns From Party

SK2111101795 Seoul YONHAP in English 0904 GMT 21 Nov 95

[FBIS Transcribed Text] Taegu, Nov. 21 (YONHAP) — No Chae-hun, the son of former president No Tae-u, bolted from the ruling Democratic Liberal Party (DLP) Tuesday by resigning as the chairman of the DLP's Taegu East-B District Chapter.

He tendered his resignation to the ruling party's Taegu city chapter upon his visit there earlier in the day, saying, "I am sorry that I must leave the party, but appreciate the support that the local residents have rendered me so far."

The son of the jailed ex-president stayed for two hours at the party office and did not talk to anyone outside, a chapter official said. The junior No left for Seoul later in the day, he said.

"No looked haggard and his face seemed hardened while he was at the party office," the official said, "he was speechless and did not make any remarks on his father."

The junior No had been named the chief organizer of the chapter on Jan. 18 this year in preparation for the forthcoming general elections.

THE KOREA TIMES 'Press Pocket' Column

SK2111062495 Seoul THE KOREA TIMES in English 21 Nov 95 p 2

[FBIS Transcribed Text]

Buddies' Meeting

Rep. Chong Ho-yong, a leading lawmaker of the ruling Democratic Liberal Party, talked with DLP chairman Rep. Kim Yun-whan for half an hour at Kim's office, raising speculation that something important is afoot.

But upon leaving the chairman's office, Rep. Chong only vented his anger at the dramas being broadcast on MBC-TV and SBS-TV dealing with the Dec. 12 mutiny in 1979 and the subsequent armed suppression of the May 1980 democratic movement in Kwangju. At that time Rep. Chong was the commander of the Special Warfare Command, whose troops took the leading role in quenching the uprising.

Rep. Chong, who helped former president Chon Tu-hwan wrench power after cracking down on the Kwangju uprising, said the dramas were not based on hard facts, just pandering to the tastes of people.

He said he doubts the propriety of the TV media asking how it can wantonly tarnish the image of people by airing dramas on the basis of what he claims are unfounded facts.

Rep. Chong, who was a four-star general and a classmate of the two former presidents, Chon Tu-hwan and No Tae-u at the Korea Military Academy, said he was very disillusioned with politics, saying he feels like quitting.

DLP leader Kim, who is a high school buddy of Rep. Chong, upon being asked what they discussed, said, "We talked about this and that."

He retorted, when pressed to be more specific, "He is a high school buddy. Can't we just talk?"

Blacklist

Rumors are making their way through the political arena that as many as 40 lawmakers are said to have links to the slush fund case of former president No Tae-u.

According to the rumors, which were denied outright by the prosecution, their connections were first uncovered in 1993 when the prosecution conducted an investigation into another slush fund case involving Donghwa Bank.

However, the prosecution put a lid on the case because too many lawmakers were involved. But the prosecution will be different this time because there is no need to extenuate them under the current situation where even former president No was arraigned, the rumors said.

Those blacklisted to be linked to the scandal include 12 from the ruling Democratic Liberal Party, 14 from the National Congress for New Politics, and four from the United Liberal Democrats, according to the rumors.

Meantime, the prosecution ordered an investigation to trace the rumor to its sources and strictly punish those involved in its spread.

Last week, the prosecution had begun to look for the sources of other rumors, which it said was ill-natured to discredit some entrepreneurs or their businesses in connection with the slush fund scandal.

Lobbyist Says Kim Yong-sam Rejected Fund Offer

SK2111011995 Seoul YONHAP in English
0047 GMT 21 Nov 95

[FBIS Transcribed Text] Paris, Nov. 20 (YONHAP) — A South Korean lobbyist residing in France reportedly said Monday that Gec Alsthom [name as received], manufacturer of the TGV (train a grande vitesse) high-speed train, offered to provide South Korean President Kim Yong-sam with 60 million U.S. dollars in political contribution but was rejected.

Kang Kui-hui, 61, recently told a group of South Korean correspondents based here that, in early 1993, Gec Alsthom proposed to the then President-elect Kim that it would give Kim 3 percent of the contracted amount, about 60 million dollars, in rebates if it was awarded a tender for the Seoul-Pusan high-speed railway project, sources said.

However, President-elect Kim rejected the offer, Kang was quoted as saying. The Paris resident said that she had been working as a lobbyist for the French company since 1991.

Bewildered by Kim's rejection, Kang was quoted as saying, Gec Alsthom lowered its offer price for the construction project by 200 million dollars.

Government, Chaebols Argue Over Family Control

SK1911035095 Seoul THE KOREA HERALD
in English 19 Nov 95 p 8

[FBIS Transcribed Text] With former President No Tae-u's secret fund scandal unfolding dirty, collusive ties between politics and business, a controversy is brewing over whether to control powerful conglomerates in one way or another.

A research institute affiliated with the Federation of Korean Industries yesterday lashed out at the government for its move to introduce a mechanism aimed at blocking arbitrary management of big business groups, or chaebols, by their founders and owners.

The Korea Economic Research Institute (KERI) alleged in a report that it is legally unjustifiable for the government to prevent the concentration of economic power in family-controlled chaebols because it is based on the public antipathy to them.

The government should not force chaebols to dilute their ownership or put professional managers in charge in place of founders, owners and their family members. Instead, business groups should be allowed to decide on such matters on their own according to their respective corporate strategies for survival, the institute contended.

It went on to maintain that it is a violation of the free-enterprise right for the government to induce conglomerates to engage in a few core business lines by limiting loan guarantees among chaebol subsidiaries and restricting the amount of investment in one chaebol subsidiary by another.

The KERI report was widely seen as a response to the government's move to alter chaebols' ownership structure by introducing various devices aimed at checking the wayward operation of chaebols.

Under consideration in this regard is the introduction of an "outside director system" which calls for seating outside people in a company's board of directors.

The system will give the board of directors checks and balances and protect small stockholders by keeping chaebol owners from running internal affairs at will, government officials said.

The government is also considering letting external accountants audit business groups to ensure accounting transparency.

For the drastic diffusion of concentrated ownership, some young, reform-minded officials are calling for imposing huge wealth transfer and gift taxes on family members of chaebols.

Meanwhile, the Fair Trade Commission criticized the KERI report as an allegation that supports chaebols only and doesn't take the public interest into consideration.

The antitrust and fair trade law should deal with the concentration of economic power in chaebols as well as monopoly in the market, said an official at the antitrust watchdog.

Snubbing the report, civic groups called for the toughening of the antitrust and fair trade law to prevent economic strength from concentrating in a few people.

The Citizens Coalition for Economic Justice said that the government should strengthen the antitrust law and impose more taxes on wealth transfers and gifts to alter the ownership structure of chaebols.

The current chaebol ownership pattern, which distorts the allocation of resources, should be transformed into a new system under which each chaebol subsidiary can operate independently from owners, it maintained.

Daily Analyzes Status of Investment

SK2011063695 Seoul TONG-A ILBO in Korean 19 Nov 95 p 19

[Report by reporter Kim Ki-man]

[FBIS Translated Text] On 17 November, the state-run North Korean Central News Agency flashed the news that the British energy firm Shell Pacific Group will make an initial investment of $2 million to construct oil stock and supply facilities with a capacity of 100,000 tonnes of oil in the Najin-Sonbong free economic trade zone (special economic zone) of North Korea.

A delegation of Shell Pacific Group led by Steven Cocks, representative of the business group's Beijing office, visited the Najin-Sonbong area from 14 to 17 November and made the decision. This was the delegation's third visit to the area following their visits in June and October. After making a survey of the Najin-Sonbong area, they determined that it is worth investing in. Based on the result of the survey, Shell Pacific Group decided to borrow a 10-ha area of land there for the next 50 years.

Meanwhile, a recent issue of CHOSON SINBO, the organ of the General Association of Koreans Residing in Japan, reported that some 200 businessmen from 11 foreign enterprises, including U.S., British, Japanese, and Chinese companies, visited the Najin-Sonbong special economic zone in early November and studied its investment conditions in detail.

Most of the businessmen were those who participated in an international consultation meeting on the investment in the Tumen River basin held in late October in Yanji of Yanbian Korean Autonomous Prefecture, Jilin Province, China. They entered North Korea through Wonjong Bridge (a bridge crossing the borderline between North Korea and China), which reopened in October, and visited the Najin-Sonbong area to survey its investment conditions and surroundings.

In particular, they showed a deep interest in the status of ongoing construction of basic facilities in this area, such as a heliport, Najin International Hotel, rental houses, and the Najin International Communication Center. Kim Chong-u, chairman of the North Korean Committee for External Economic Cooperation (ministerial level), who is an influential man in North Korean economy, acted as the guide of the foreign businessmen and was reportedly greatly encouraged by their visit to the Najin-Sonbong area.

North Korea is making great efforts and working hard to construct the Najin-Sonbong special economic zone in order to rehabilitate its worsening economy. North Korea unconditionally welcomes all investments in this area by Western enterprises, including ROK enterprises.

A direct container route connecting Najin Port of North Korea and Pusan Port opened on 10 November. This shows well North Korea's will. Tongnyong [company's name as transliterated] Marine Transportation Company, a joint-venture company established by the ROK's Korea Special Shipping Co. Ltd. and China's Jilin Marine Transportation Corporation, is the investor in the container route for form's sake, but, in substance, the real investor is the ROK company. Well aware of this, however, North Korea approved the opening of the direct container route.

North Korea sent high-level economic delegations to more than 10 advanced Western countries this year to induce investment in the Najin-Sonbong special economic zone. Moreover, Chairman Kim Chong-u's recent statement that "we have a long-term plan to make the Najin-Sonbong area not only an industrial complex but also a distribution and financial center" shows well how much North Korea expects from this area.

North Korea merged the two areas, the city of Najin and Sonbong County, into the Najin-Sonbong Special City under the direct control of the central government in September 1993, and has recently enlarged the free trade zone from 621 to 746 square kilometers. In addition, North Korea will soon increase its population to 300,000 and plans to increase it up to 1 million in the future; the area currently has 140,000 residents. This shows well North Korea's efforts to create a proper environment for the development of this area.

In fact, the creation of the Najin-Sonbong special zone is worth paying attention to, in light of the fact that North Korea started the project after it acknowledged the failure of its economic plans. North Korea acknowledged the failure of the Third Seven-Year Plan in 1993 and designated the following three years as an adjustment period. Then, North Korea decided to give priority to implementing the agriculture, light industry, and trade-first policies and began to construct the free trade zone. While promoting this project, North Korea decided to allow all joint ventures and joint investments by foreign companies, as well as investments by a single foreign company. This was the most remarkable economic measure it took following the announcement of the Joint Venture Law in 1980.

The investment conditions in the Najin-Sonbong area are considered very poor when measured by a Western yardstick. In particular, basic facilities, such as roads, ports, railways, and communication services, are poor.

However, there are also many attractive investment factors, including the free land lease, cheap labor, a production base with a potential, open domestic market, and the DPRK Government's active efforts.

With Western enterprises' growing interest in it, the Najin-Sonbong special economic zone is expected to be a touchstone for the rehabilitation of North Korea's economy.

Government Rice Purchases Reduced Due to WTO

SK1811015395 Seoul THE KOREA TIMES in English 18 Nov 95 p 8

[FBIS Transcribed Text] Farmers will be able to sell [only] 1.4 million sok of rice harvested this fall to the public bodies at market prices, let alone the 9.6 million sok to the government at last year buying prices. One sok equals 144 kilograms.

The Agriculture, Forestry and Fisheries Ministry said yesterday that the National Agricultural Cooperative Federation (NACF) will buy 1 million sok and the Rice Processing Center (RPC) 400,000 sok.

To alleviate financial burden of the two farmers bodies, the government has decided to pay 300 billion won (about 375 million dollars) it has owed to the NACF on farm fertilizer account.

A ministry official explained that it was impossible to raise the price of rice and increase the purchasing volume due to a World Trade Organization (WTO) agreement on subsidy reduction.

Under this agreement, the government is to lower the state subsidy to the rice farming households by 75 billion won (some 94 million dollars) annually until the year 2004. By then the subsidy will be at the level of 2.34 trillion won (some 3.0 billion dollars).

The market price for one 80-kg bag is now about 130,000 won.

"The ministry's decision for the additional rice purchase does not pose a problem in connection with WTO rules as it is conducted in accordance with the principle of market economy," a ministry official said.

He said the decision will help invigorate the free marketing of rice and solve the chronic problems of the government rice purchase system.

He added that the administration will go ahead with plans aimed at strengthening the competitiveness of farming households by pushing ahead with the plan of restructuring farming village methods.

But the decision has brought criticism as it was largely interpreted to have stemmed from "political" needs, rather than economic ones.

A critic said that the plan seemed to be mapped out to buy votes in the rural areas especially in the context of the upcoming Assembly elections slated for early next year.

This was well seen in the fact that the ruling Democratic Liberal Party came [up] with the purchasing plan before the administration did.

"The administration's decision seems to be designed to placate farmer dissatisfaction," the critic said, citing the fact that some of major farmers' organizations were planning a massive rally in Seoul protesting the original government rice buying plan.

Burma

'Goodwill' Delegation Returns From Thailand

BK1811161895 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Nov 95

[FBIS Translated Text] General Maung Aye, vice chairman of the State Law and Order Restoration Council [SLORC], deputy commander in chief of the Defense Services, and commander in chief of the Army of the Union of Myanmar [Burma], welcomed a Myanmar goodwill delegation led by Deputy Prime Minister Vice Admiral Maung Maung Khin returning to Yangon [Rangoon] International Airport on a special flight after paying a goodwill visit to Thailand at the invitation Gen. Chawalit Yongchaiyut, deputy prime minister and defense minister of Thailand.

With Gen. Maung Aye were Lieutenant General Tin U, secretary-2 of the SLORC; Lt. Gen. Tin Tun, deputy prime minister, and ministers; Mr. Uthai Silthorn, charge d'affaires of the Thai Embassy; and responsible personnel.

Lt. Gen. Kyaw Ba, minister of hotels and tourism; Brigadier General Abel, minister of national planning and economic development; U Tin Tun, deputy minister of energy; U Nyunt Swe, deputy minister of foreign affairs; Colonel Tin Hlaing, deputy minister of home affairs; U Aung San, deputy minister of construction; U Aung Thein, deputy minister of livestock breeding and fisheries; and responsible personnel also returned with Vice Adm. Maung Maung Khin, leader of the Myanmar delegation and deputy prime minister.

Opposition Studies Boycotting SLORC Convention

BK1811124195 (Internet) BurmaNet News in English 16 Nov 95

[Unattributed Report by Shan Herald Agency News dated 12 November]

[FBIS Transcribed Text] According to S.H.A.N. [Shan Herald Agency News] source coming across the border, the National League for Democracy [NLD], Burma's largest opposition party, is considering boycotting SLORC [State Law and Order Restoration Council] held National Convention due to resume on 28 November.

The NLD, brought to life by their leader Aung San Suu Kyi's release, is reported to observed Burmese National Day which falls on 16 November. On the next day, it will hold a press conference where they are expected to make some important announcements. No further details are available at the time of this report except that NLD has yet to dismiss the option of boycotting the NC.

The second largest party, Shan Nationalities League for Democracy (SNLD), however, may choose to participate in the Convention, said the source. So far, the SNLD's proposals in the Convention during the previous sessions have been better received by the public. But with Aung San Suu Kyi's return to the political scene, many hope this time it shall not disappoint its constituents.

KNU 'Rebels' Kill in Hlaingbwe Township 16 Nov

BK1711162395 Rangoon Radio Myanmar in Burmese 1330 GMT 17 Nov 95

[FBIS Translated Text] The KNU [Karen National Union] terrorist rebels bear a grudge against the innocent people because their military and political integrity is declining. They are also collecting extortion money, engaging in the forced conscription of soldiers, demanding food supplies, attacking villages to kill or maim innocent people, blowing up transportation routes, and bullying and intimidating innocent people.

At 0255 on 16 November, about 30 KNU terrorist rebels ruthlessly fired small and heavy weapons at huts belonging to villagers making a peaceful living by farming in the eastern part of Naungtaing village in Hlaingbwe Township, Karen State. The shooting lasted until 0315.

Ma Mu Kawla, 21, and Ma Hta Thi, 21, of Thagawkro village were killed. Maung Khin Myint, 3; Maung Thein Ngwe, 3; Maung Soe, 5; Ma Shwe, 17; and Naw Ae Mu, 25, of Thale village; Ma Win Thi, 28; Daw Nyunt, 50; and Maung Pha Ta, 29, of Thagawkro Village; Maung Saha, 15; and U Esoof, 35, of Padat Gattegon Village; and Daw Nan Myaing, 60, of Shaukkon Village were injured.

Our military columns are pursing the retreating KNU terrorist rebels that ruthlessly shot at people who were making a peaceful living. The victims' families have been provided with the necessary assistance while the injured have been given medical treatment.

'Goodwill' Delegation Returns From Thailand

BK1811161895 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Nov 95

[FBIS Translated Text] General Maung Aye, vice chairman of the State Law and Order Restoration Council [SLORC], deputy commander in chief of the Defense Services, and commander in chief of the Army of the Union of Myanmar [Burma], welcomed a Myanmar goodwill delegation led by Deputy Prime Minister Vice Admiral Maung Maung Khin returning to Yangon [Rangoon] International Airport on a special flight after paying a goodwill visit to Thailand at the invitation

Gen. Chawalit Yongchaiyut, deputy prime minister and defense minister of Thailand.

With Gen. Maung Aye were Lieutenant General Tin U, secretary-2 of the SLORC; Lt. Gen. Tin Tun, deputy prime minister, and ministers; Mr. Uthai Silthorn, charge d'affaires of the Thai Embassy; and responsible personnel.

Lt. Gen. Kyaw Ba, minister of hotels and tourism; Brigadier General Abel, minister of national planning and economic development; U Tin Tun, deputy minister of energy; U Nyunt Swe, deputy minister of foreign affairs; Colonel Tin Hlaing, deputy minister of home affairs; U Aung San, deputy minister of construction; U Aung Thein, deputy minister of livestock breeding and fisheries; and responsible personnel also returned with Vice Adm. Maung Maung Khin, leader of the Myanmar delegation and deputy prime minister.

Brunei, Malaysia & Singapore

Malaysia

Commentary Critiques APEC Osaka Summit

BK1611133395 Kuala Lumpur Voice of Malaysia in English 0810 GMT 16 Nov 95

[Station commentary]

[FBIS Transcribed Text] With days to go before the Asia-Pacific Economic Cooperation, APEC, summit, it is clear that the Osaka meeting will have to do some serious rethinking. It is best member nations reveal the organization's goal and return to basics. The grouping has its limitations.

APEC has, without doubt, taken a wrong turn both in Seattle and Bogor. The plan to liberalize trade was too ambitious for too diverse a grouping as APEC. Another worrisome feature of that proposal was that it was supported by only a few countries. Others just followed suit.

When Malaysia expressed reservations over the Bogor Declaration, many accused it of being isolationist; but now, a year later, there is a growing realization that Malaysia was right after all.

Moves to make APEC a regional trading bloc with a structured trading agenda was a mistake. The question that the countries which pushed for the Bogor Declaration refused to ask was whether they would be committed toward the free market plan by the year 2010 for developed countries and 2020 for developing nations.

APEC has not only become a media event but also seen as undertaking plans beyond its capabilities. Trade liberalization is without doubt a good thing, but the major obstacle is whether countries are willing to liberalize their economies to the extent of opening their markets completely.

Market access will obviously be the main issue. Countries will only open their markets if there is reciprocity. The trade friction between the United States and Japan, and the United States and China, is a case in point. They are not even able to solve their problem bilaterally, let alone on a multilateral basis. As such, there is no justification for a free regional market. It can be a sure bet that member countries will not liberalize unless others do so. But this is not to belittle APEC and the immense good it can do to liberalize Asia-Pacific trade.

However, the ingredients for free regional trade include efforts based on concerted but unilateral actions; this means nations who agree to liberalize, but will do so at their own pace and in their own way. There must be no pressure for their economies, which have a long way to go before being able to achieve the status of a developed nation.

This is the only realistic way, and it will work, and it will be fruitful. Forced liberalization will not work, but rather divide APEC. Since Bogor, there were already rumblings, which is why the grouping needs to take stock of itself and a future direction it will take. Sometimes one has to take a step backward in order to move forward. Unless APEC rectifies its mistake of being too ambitious at Osaka, there could be greater dissension within the group. This has to be nipped in the bud. It should also not just focus on trade liberalization. It is equally, if not more important, for member countries to actively engage in economics and technical cooperation. Ultimately, the goal should be to create a prosperous Pacific family—one that thrives on mutual help and respect—and bet on peace and goodwill.

Minister Reaffirms Stationing of Troops in Bosnia

BK1711103995 Kuala Lumpur Voice of Malaysia in English 0800 GMT 17 Nov 95

[FBIS Transcribed Text] Bosnia-Herzegovina wants Islamic countries to be continously involved in the peace process in the Balkan region. Defense Minister Datuk Syed Hamid Albar said although negotiations are in progress in the United States, Bosnia also wants Islamic nations to continue to place emphasis on the ongoing conflict on humanitarian grounds. The Bosnian Government did not want the Islamic countries involved, including Malaysia, to think that the Bosnian conflict was over, as the absolute settlement of the problem would take a long time.

He was speaking to reporters after a briefing on the progress of the fourth battalion at its headquarters in Konjice, Slovenia. In line with Bosnia's wish to Islamic nations to continue to play their role in the Balkans, Datuk Syed Hamid reiterated that Malaysia would continue to station its troops in that country, although it had to bear all the costs. Malaysia is serious in its involvement under the North Atlantic Treaty Organization which has the mandate of the UN.

Cambodia

Foreign Minister Leaves for Australian Visit

BK2011012095 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 19 Nov 95

[FBIS Translated Text] At 1100 on 18 November, His Excellency [H.E.] Ing Huot, minister of foreign affairs and international cooperation, and his wife left for a seven-day official visit to Australia, from 18 to 25 November 1995.

Among those seeing the delegation off at Pochentong International Airport were the Australian ambassador to the Kingdom of Cambodia, excellencies under state secretaries, and many officials under the ministry. The aim of the visit is to further strengthen the ties of friendship and cooperation between Cambodia and Australia.

Khmer Rouge 'Minister' Discusses Sirivut Arrest

BK2111045195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 20 Nov 95

[Interview with Mak Ben, minister of rural areas, agriculture, and water conservancy in the Provisional Government of National Union and National Salvation, by an unidentified station correspondent on 20 November; place not given — recorded]

[FBIS Translated Excerpt] [passage omitted] [Correspondent] I would like to ask Your Excellency another question. What really happened in the arrest and detention of Prince Sirivut?

[Mak] It is as clear as day that Prince Sirivut, who came from overseas with empty hands, does not have the power to stage a coup d'etat and to assassinate Hun Sen—the top ringleader of the communist Vietnamese goons. This is absolutely impossible. The real assassins are actually the communist Vietnamese and their out- and-out lackeys, including Le Duc Anh—the former commander of the communist Vietnamese aggressor forces against Cambodia and incumbent communist Vietnamese president. He recently paid a visit to Phnom Penh and to Hun Sen, the top ringleader of the goons and one of Le Duc Anh's darlings. Obviously, Prince Sirivut's arrest is one of the coups d'etat staged successively by the communist Vietnamese.

What is the purpose of the coup? Conspicuously, it is to demonstrate the muscle and fangs of the communist Vietnamese with the aim of terrorizing other people, including the people, masses and political personalities in Phnom Penh. It is also to threaten and bully the king, who is set to travel to Hanoi. The monarch is forced to go to Hanoi in keeping with the dark interests of the territory-annexing and race-exterminating communist Vietnamese. The latter have never given up their strategy of wolfing down, swallowing, and turning Cambodia into a second Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century].

Our nation and people have no other alternative but to continue to join forces to struggle and fight with a view to terminating absolutely the communist Vietnamese war, the nation-betraying two heads, and Hun Sen. Only with our entire nation and people— including those in Phnom Penh, the countryside, and abroad—united in furthering the struggle in this manner can genuine peace and national reconciliation be achieved and the survival of the Cambodian nation, people, and race be saved and defended.

Parliament Lifts Immunity of Prince Sirivut

BK2111015995 Hong Kong AFP in English 0157 GMT 21 Nov 95

[FBIS Transcribed Text] Phnom Penh Nov 21 (AFP) — Cambodia's parliament voted Tuesday to lift the immunity from prosecution of Prince Norodom Sirivut, who has been accused of plotting to murder Second Prime Minister Hun Sen, participants said.

The vote in closed session, attended by 105 of the total 120 members of parliament, was unanimous, the participants said.

Prince Sirivut, half-brother of King Norodom Sihanouk and a member of parliament, told AFP by telephone that he wanted the case taken before the courts. He has been under house arrest since Saturday.

He said he had been advised he would be allowed to go to parliament for the vote but had decided not to attend because of fears for his security.

Sources familiar with the procedures said the next step would probably be the arrest of Prince Sirivut, 44, and his transfer to a special prison.

No evidence was presented in parliament, which heard a letter from the prosecutor's office asking that the prince's parliamentary immunity be lifted, a necessary step before legal action could be taken against him.

Indonesia

Parliamentarians View U.S. Budget Problem

BK1811080595 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 18 Nov 95

[FBIS Translated Text] The U.S. budget problem will not affect Indonesia because it is that country's internal affair. Theo Sambuaga, head of the Interparliamentary Cooperation Agency, and Abu Hasan Syadzili, chairman of the parliament's Commission I [Roman numeral one], said this in Jakarta. Abu Hasan Syadzili said the United States, which acts as world police, may close several of its embassies overseas, especially those unimportant ones. Both officials said the U.S. budget problem is only temporary, but may become an issue during the upcoming presidential elections.

Daily Views APEC as Becoming More 'Concrete'

BK2011103495 Jakarta KOMPAS in Indonesian 20 Nov 95 p 4

[Editorial: "APEC Talks Are Becoming More Concrete"]

[FBIS Translated Text] The direction of development of the Asia-Pacific Economic Cooperation [APEC] forum has become more stimulating since the agenda of the talks has focused on a more tangible program. For example, during the meeting in Osaka, Japan and other APEC leaders emphasized the importance of the Action Agenda in creating a more open and liberal trade system.

Notwithstanding, questions will be raised on how such programs could be implemented in a consistent manner so that the trade liberalization objective could be achieved in a timely fashion. Evidently, there are numerous obstacles to be overcome, particularly regarding the diversified bases among the APEC member countries. Evidently, the APEC members have become more optimistic in their commitments.

Due to rapid development since Australia mooted the idea of setting up APEC in 1989, the forum has undertaken bolder steps forward, and these steps have become more concrete.

When the idea first emerged, only one objective existed — to further bolster economic cooperation among the Asia-Pacific nations in the 21st century. Nonetheless, the group's dynamism was already felt.

The establishment of APEC was confidently carried out as an effort to look into a mutual need to widen economic cooperation in the Asia-Pacific region which is considered the most dynamic region. It was predicted that the core of the current global development, which encompasses the Atlantic region, would move toward the Asia-Pacific region in the 21st century — only approximately four years from now.

However, it was observed that the current global geophysical interest that has moved toward a geoeconomic trend in international relations, had somewhat encouraged and further enhanced APEC's development. Instead, the direction of cooperation has greatly focused on economic development and not on politics. Nevertheless, with the new orientation, China which endorses its communist system, will extend its cooperation toward other noncommunist countries within APEC.

With APEC functioning as an economic cooperation platform, the strong and vibrant political ideologies of the Cold War era will definitely come to an end. The present mutual objective concerns the question of how to become more progressive in an effort to boost the people's well-being.

The prospects of the APEC forum totally depend on the solidarity of its members in creating a better vision toward achieving mutual goals. We have constantly observed that APEC is proceeding in a positive direction.

During the first informal meeting held in Seattle in 1993, the United States and the APEC leaders — then comprised of 15 members — agreed to mutually develop their respective economies and cultures within the Asia-Pacific region based on a free and open trade system.

The second meeting held in Bogor in 1994, where the Bogor Declaration was adopted, directed APEC toward becoming more tangible. With its members now totalling 16, APEC then determined the timeframe for liberalizing trade and investments for developed and developing nations to reach their respective objectives, which are by the year 2010 and 2020 respectively.

However, the Bogor Declaration has yet to finalize the details regarding the framework for an open and free trade system. Also, details have yet to be worked out on how such objectives could be achieved. Nevertheless, the Osaka meeting, which was attended by 18 APEC leaders and through APEC's dynamism, made another progressive step forward.

Notwithstanding, despite an early indication that Japan would probably dampen APEC's dynamism, a decision was finally reached on trade liberalization in the Asia-Pacific region. During the ministerial-level meeting, it was recommended that member countries comply with the Action Agenda and the time frame as prescribed in the Bogor Declaration.

The blueprint adopted by the ministers comprises 135 detailed steps for 15 types of trade. The process of launching an open market in stages will be implemented by 1 January 1997. Speaking at a dinner hosted in honor of the delegates to the Osaka summit, the host, Japanese Prime Minister Tomiichi Murayama, considered the meeting as the beginning of a "new chapter in the history of the Asia-Pacific region."

High hopes prevail for APEC to emerge as a forum for cooperation in improving the living standards of the Asia-Pacific regional community which forms 40 percent of the global population. Considering the progress made by APEC, it was predicted that the next meeting to be held in the Philippines next year would further strengthen the basis for commitments to the existence of an open and free trade region.

With the rapid advent of time, a question arises as to how developing nations in APEC could possibly equip themselves and integrate with a free and open trade system given their professionalism and bureaucracy.

Developing nations within APEC have remained constantly optimistic regarding APEC's dynamism and capability to improve their economic existence. Behind such a great expectation, an apprehension also prevails about the possibility of the developing nations' inadequate state of preparedness that could leave them far behind developed nations.

In fact, the timeframe provided for developing nations to equip themselves to enter a free and open trade era was considered adequate. The question now remains as to how best the developing nations could equip themselves. They could, among other things, introduce deregulations, moderate their bureaucracy and eliminate all forms of monopolies and protective measures which are considered inconsistent with a free and open trade system.

Suharto Returns From APEC Summit in Osaka

BK2011121195 Jakarta ANTARA in Indonesian 1002 GMT 20 Nov 95

[FBIS Translated Text] Jakarta, 20 Nov (ANTARA) — President Suharto stated that the development platform, established through hard work, should not be undermined because the people will become worried and be unable to take advantage of available opportunities.

"Development should not be disrupted by small matters," the president told reporters on the way from Osaka to Jakarta on Monday after attending the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting on 19 November.

The head of state, who was accompanied by Mrs. Suharto, said the people will be unable to utilize their potential if the development platform is undermined because they will be in doubt.

Explaining the size of potential markets in the Asia-Pacific region due to economic and trade liberalization, the president said there will be structural changes in the GNP in several years.

In 1994, the world's GNP reached US$27 trillion. Sixty-seven percent of it was in Japan, the United States, and Europe, while Asia accounted for only 20 percent.

Early into the next century, developed countries will account for only 39 percent, while Asia 51 percent.

"Because Japan and the United States are located in the Asia- Pacific region, the region will account for about 80 percent of the world's GNP," the head of state said.

The president, thus, asked the people to take advantage of economic and trade liberalization to the maximum. All people, not only the bureaucracy, must be prepared for it.

"We must create a conducive climate for people to have confidence," the president said. He was also accompanied by Hartarto, coordinating minister for industry and trade; Foreign Minister Ali Alatas; Minister and State Secretary Murdiono; and Wijoyo Nitisastro, presidential adviser for economic and development affairs.

Regarding the Osaka meeting, the president said all sides unanimously accepted the Action Agenda to implement the Bogor Declaration. There have, thus, been no differing interpretations.

The Osaka meeting set the goal and direction of economic cooperation on the basis of three pillars — trade and investment liberalization, facilitation, and economic and technical cooperation.

Regarding the Action Agenda, the economic leaders agreed to closer cooperation in investment, to fixing tariffs and duties, to the abolition of non-tariff barriers, the clearance of goods, and dispute settlement services.

Indonesia itself took steps on 23 May 1995 to reduce import duties. Import duties below 20 percent will be gradually reduced to 5 percent, while those above 20 percent will be gradually reduced to 10 percent.

The president, Mrs. Suharto, and the delegation arrived at Halim Perdana Kusuma Airport on Monday afternoon at about 1600 West Indonesian Standard Time [0900 GMT].

Laos

Foreign Minister Receives French Delegation

BK2011135295 Vientiane KPL in English 0919 GMT 20 Nov 95

[FBIS Transcribed Text] Vientiane, November 18 (KPL) — A French humanitarian delegation headed by Mr. Xavier Emmanuelli, deputy minister to the prime minister's office in charge of emergency humanitarian actions, arrived here yesterday afternoon and was welcomed at Wattai Airport by deputy minister of labor and social welfare, Mr. Noi Indavong, and French Ambassador to Laos Gerard Chesnel.

The French delegation has a working program with the Labor and Social Welfare Ministry and is to discuss humanitarian relief in case of emergency. The French Government grants a relief of 300,000 francs to the people affected by the recent floods that severely hit Laos. The delegation will also visit major hospitals in Vientiane.

The French delegation yesterday called on Lao foreign minister, Somsavat Lengsavat, at the latter's ministry. During their talks, the foreign minister hailed the visit to Laos by the French guests and extended his warm welcome to the delegation.

Mr. Xavier Emmanuelli then informed the Lao foreign minister on the content of the negotiation he had with the Lao labor and social welfare ministry. He also said that the French Government granted the relief of 300,000 francs to floods victims. He stated that France is interested in giving assistance to Laos in the field of unexploded ordnance clearance, the rehabilitation of war handicaps and drug addicts and some other activities related to humanitarian affairs.

Mr. Somsavat Lengsavat expressed his gratitude to the French Government for the assistance to Laos.

Official Notes Refugee Repatriation Problems

BK1811155695 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 18 Nov 95

["Press Statement" on the government's "Humanitarian Policy Toward Refugees" delivered by Khouan Volasan, director of the Information Department of Foreign Affairs Ministry, issued in Vientiane on 17 November — recorded]

[FBIS Translated Text] Since the beginning of the repatriation of Lao refugees who have wished to return to their hometowns, the government has zealously and consistently implemented its humanitarian policy toward them. The government has done its best in accordance with its capability in accepting the refugees. The number of Lao refugees repatriated to their native villages has increased each year. To repatriate and accept those refugees in an orderly manner and to be able to provide them with necessary materials and accommodations, the Lao Government proposed a tripartite meeting in Luang Prabang in 1991. The meeting was attended by delegations of the Lao and Thai Governments and representatives of the United Nations Office of High Commission for Refugees. Following the meeting, an agreement was reached unanimously to repatriate an increasing number of Lao refugees from Thailand in a well-organized manner. According to the plan, the repatriation of all Lao refugees from Thailand would be completed by the end of 1995. This conformed to an overall plan that was agreed upon by the countries concerned in their 1989 meeting in Geneva. In the Luang Prabang meeting, the three sides noted that the repatriation of the refugees must be done on a voluntary basis, keeping their safety and honor in mind. Since then, the repatriation of the Lao refugees from Thailand has been carried out in accordance with the plan and in an orderly manner. The three sides have expected to complete the repatriation by the end of 1995 as scheduled.

In the recent months, the effort of the three sides has come to a halt with the news that the U.S. Government would accept the refugees still in Thailand. Later, on 16 November 1995, BANGKOK POST newspaper also carried news on this issue, thus drawing attention and creating misunderstanding among the refugees — both who have already volunteered to return home and those who have not yet made a decision.

With regard to this problem, the Lao Foreign Affairs Ministry maintains that if (?the Thai side) does as it wishes, without taking into account the difficulties that might arise to (other sides), the Lao refugee problem could be hard to settle and their return home prolonged indefinitely. Therefore, (?either) the Thai (?or the other) side must be held solely responsible for the consequences that might arise.

Philippines

PRC 'Very Concerned' About Manila-Hanoi Pact

BK2011082195 Quezon City MALAYA in English 16 Nov 95 pp 1, 6

[Report by Jean Magdaraog]

[FBIS Transcribed Text] Beijing has expressed concern over the agreement reached by Manila and Hanoi seeking to avoid confrontation over the disputed Spratly islands in the South China Sea.

Zhang Tie Gen, Chinese Embassy spokesperson in Manila yesterday said Beijing is "very concerned" with the agreement contained in a Code of Conduct between the Philippines and Vietnam.

"We (Beijing) are concerned about the Code of Conduct in the South China Sea reached between the two countries during their bilateral consultation held in Hanoi," Zhang said.

Manila and Hanoi have agreed on 8 November to adopt the code, a set of rules governing their actions in the Spratly islands, claimed by the China, the Philippines, Vietnam and Taiwan.

The code commits the two countries to exercise self-restraint, refrain from using force or threat of force, and desist from acts that would affect the friendship between Philippines and Vietnam.

"I'd like to stress thereby that China holds indisputable sovereignty over the Nansha [Spratlys] islands and their adjacent waters," Zhang said adding that "none of the countries can in whatever form, infringe upon China's sovereignty and its rights and interests at sea."

Manila and Beijing have earlier agreed to adopt a similar code of behavior in the South China Sea during their bilateral talks in Manila last August.

Chinese Shipwrecked in Spratlys Repatriated

BK1411042595 Quezon City Radio Filipinas in English 0230 GMT 14 Nov 95

[FBIS Transcribed Text] The Philippine Government has sent home 14 Chinese fishermen who were shipwrecked in the disputed Spratly Islands on October 25.

The Department of Foreign Affairs said the fishermen left yesterday morning aboard a Philippine Airlines flight bound for Xiamen after complying with immigration requirements.

The Philippine Government considered the incident force majeure and extended assistance to the 14 Chinese nationals. It said the decision to send home the fishermen was made for humanitarian reasons and in keeping with the normal practice of extending assistance to crew members of the vessels involved in the shipwreck.

NBI Agents 'Tracking Down' Abu Sayyaf Leader

BK1011093695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 10 Nov 95

[Passages in italics published in English]

[FBIS Translated Text] Agents from the National Bureau of Investigation [NBI] are tracking down Abubakar Abdurajak Janjalani, leader of the Abu Sayyaf bandit group, who is reported to be in Metro Manila.

In an interview with DZBB, NBI Director Mariano Mison said that although he cannot confirm the report, they nonetheless have sent out a group to hunt down the bandit leader. Mison added that the report did not originate from the NBI but from the intelligence community, which is supposed to issue a clarification on it.

[Begin Mison recording] I cannot confirm this because *that information came from the intelligence community, but we, as a member of that community, is also working on that.*

Therefore, I cannot say anything that would validate that information. *In the meantime, I think the source should be the one tont [word as heard]* because we, if we see something, of course we will also give it to them, since that is our main job. [end recording]

Thailand

Thanat: UN Speech for Thailand, Not Government

BK1611051795 Bangkok THE NATION in English 16 Nov 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Commission of Inquiry chairman Thanat Khoman yesterday said he had delivered a harsh speech against the United States at a UN committee meeting in New York recently on behalf of "Thailand" not the "Thai government"

Thanat said his speech was not on his own behalf either, but was simply his way of fighting for and protecting the image and dignity of Thailand

The Thanat Commission was set up by Prime Minister Banhan Sinlapa-acha to look into US drug allegations against some Thai politicians.

"I attended the UN meeting as a Thai delegate, not a Thai government representative. The government appointed me to represent the country and all Thai people. please understand this," he said.

He had a clear right to express what Thai people feel about the US drug allegations, Thanat told a Nation Radio programme.

In his speech before the UN Committee on Humanitarian, Social and Cultural Affairs, Thanat accused the United States of using the drug issue as a political instrument of pressure of extracting concession from Thailand. A former foreign minister, Thanat claimed that the

US accusations against some Thai politicians were made wtthout valid evidence.

After he finished his speech. US representatives in attendance demanded to use their "right of reply" but so far have said nothing.

"Instead of defending themselves, they chose to put more pressure on the Thai government by summoning a Thai charge d'affairs in Washington and asking whether my speech represented Thailand's official position," he said

While the United States had accused other countries of being major sources of drugs and of drug trafficking, Thanat said, according to the New York Times edition of that day, data and statistics showed that the amount of money being laundered in the United States itself had reached US $6 billion, or about Bt150 billion. The paper said around 100 US companies had been found to be involved in the money laundering.

"Earlier. US President Bill Clinton asked other countries to cooperate with the United States in drug suppression. But four major US cities — New York, Los Angeles. Miami and Houston — instead are major sources of drug and money laundering," Thanat said.

Commenting on Thailand's denial that his statement represented the official position, Thanat argued that those officials did not know the protocol and did not have enough experience in such a situation.

"It is very easy to respond to the US query over whether my statement represents Thailand's position or not. Let's say that Thai representatives at the UN meeting have the duty to represent Thailand's policy as well as express the concern of its people," Thanat said.

He added that he officially asked the PM's secretary general to send him the information on the drug allegations that Foreign Minister Kasemsamoson Kasemsi had obtained from the United States.

The commission will hold its monthly meeting on Nov 24, Thanat said. He added that he had laid out a structure and assignments for the commission and that in the future it would be up to a subcommittee to consider whether a request to look into an allegation was justified or not.

Suspicion of Foreigners Bribing Politicians Noted

BK2011155795 Bangkok BAN MUANG in Thai 19 Nov 95 p 3

[Editorial: "Foreign Financial Support for Politicians"]

[FBIS Translated Text] The speech by Colonel Thanat Khoman, former foreign minister and deputy prime minister, delivered at the United Nations General Assembly in his capacity as special adviser of the Thai delegation to the United Nations, criticized U.S. handling of its narcotics problem. Besides defending Thailand's prestige and the Thai citizens who have been victimized by the U.S. drug charges, the speech can also be beneficial to the United States if the latter will use it to improve and correct its maneuvers. Nevertheless, some members of the Thai mass media, as well as news agencies have voiced their opposition to the action taken by Colonel Thanat by saying that the speech will have a negative impact on relations between the two countries.

Regarding this, this group of biased journalists and reporters called on Deputy Prime Minister Amnuai Wirawan and attempted to have him criticize Colonel Thanat's statement. However, the deputy prime minister reaffirmed that what Colonel Thanat said in the United States has no effect on Thai-U.S. relations because the UNGA [United Nations General Assembly] session was not a meeting between the governments of the two countries, adding that both Thailand and the United States have been working together on the narcotics problem. He said he believed that Colonel Thanat's speech did not cause any damage to relations between the two countries.

Being disappointed by the reply from Deputy Prime Minister Amnuai Wirawan, these pro-U.S. journalists tried during interviews with other leading figures to squeeze the kind of answers and remarks which they could use to attack the government, politicians, and people who refused to be enslaved by the United States. There have been politicians and governments who were not reluctant to sell themselves and the country to foreigners, disregarding national dignity, and using the narcotics problem as their political tool to safeguard their personal gains and to keep power in their hands. The former South Korean president who was accused of taking bribes worth tens of billions of baht from foreign countries is a good example of such misbehavior.

What happened in South Korea can also happen in Thailand, but it is much cheaper here. There is no need to spend tens of billions of baht on Thai politicians who are always hungry for money and power. A thorough investigation should be conducted of foreign financial support given to Thai politicians because such a practice is truly detrimental to national independence and sovereignty. There have been many indications that Thai politicians are behaving like slaves of foreign countries without considering the dignity and prestige of our country. The investigation should also cover some groups of journalists, news agencies, and newspapers as well.

U.S. Asked To Widen Talks on Displaced Laotians

BK2111043195 Bangkok BANGKOK POST in English 21 Nov 95 p 7

[Unattributed report]

[FBIS Transcribed Text] The United States should consult Laos as well as Thai authorities on its plan to resettle displaced Laotians still in Thailand, National Security Council secretary general Charan Kunlawanit said yesterday.

The main concern of the Laotian government and Thai authorities is the future of displaced Laotians whom the US does not accept for resettlement under this new plan, Gen [General] Charan said.

Gen Charan, who recently met a senior US state department official, was commenting on the US attempt to take some of the estimated 6,000 displaced Laotians in Thailand before the internationally determined deadline of December 31.

Thailand has "no objection" to resettlement for the Laotians but "who will be responsible" for those who are not accepted, Gen Charan said.

International funding for a United Nations-sanctioned programme ceases with the year-end deadline for all displaced Indochinese — who also include some 39,000 Vietnamese — to be evacuated from camps in first asylum countries in Southeast Asia.

The Indochinese have not been recognised as refugees.

The US has also started negotiations with authorities in Hanoi on a renewed orderly departure programme for the displaced Vietnamese, 5,000 of whom are living in first asylum in Thailand.

Charles Sykes, the US deputy assistant secretary of state for population, refugees and migration, met Gen Charan during his recent trip to Bangkok following talks in Hanoi.

Of the Laotians now encamped in Thailand about 5,000 are anti- communist Hmong hilltribe people who supported the US war in Laos 20 years ago. Another 1,000 are lowland Laotians.

Most are encamped at Ban Napho, Nakhon Phanom.

"The problem for Thailand is that these people are not Thai citizens," Gen Charan said.

According to Gen Charan, the UN supports resettlement for displaced Indochinese, and feels that countries like Thailand should stop offering first asylum so that the money they are now receiving can go to countries of origin to develop infrastructure for the return of their people.

On the question of displaced Vietnamese, authorities in Hanoi are wondering whether the US would take only "old friends", Gen Charan said.

Association with the US army and US companies during the war 20 years ago, as well as proof of relatives already living in the US, are main criteria for resettlement, international officials noted.

Hanoi has also pointed out that there are already an estimated 30,000 Vietnamese in Vietnam who have applied for an existing Orderly Departure Programme, Gen Charan added.

'Breakthrough' on Key Issues at APEC Viewed

BK1711054995 Bangkok THE NATION in English 17 Nov 95 p A4

[Editorial: "APEC Won't Be Derailed by Clinton's Absence"]

[FBIS Transcribed Text] President Bill Clinton, in a standoff with Congress over the federal budget, cancelled his trip to Japan to the attend the Asia-Pacific Economic Cooperation (APEC) leaders' summit this weekend.

"The president feels very strongly that he must be in the United States to respond to, and if necessary, veto budget legislation proposed by the Republican-controlled Congress," White House spokesman Michael McCurry said. Clinton instead will send Vice President Al Gore in his place to the Osaka APEC Summit.

Clinton's state visit was intended to reaffirm the US-Japanese security alliance despite chronic trade frictions and amid growing international concern at China's emergence as a major economic and military power. Cancelling it could seriously undermine relations, given both the importance that Japan attaches to diplomatic status and the severity of recent blows to bilateral ties.

The latter include reports of US eavesdropping on Japanese negotiators during auto trade talks in June, the brutal rape in September of a Japanese schoolgirl — allegedly by three US soldiers from the near 50,000-member force stationed in Japan — and charges that Daiwa Bank covered up a US $1.1 billion bond trading fraud in New York over 11 years by lying to the Federal Reserve. The rape unleashed an outpouring of anti-American sentiment, notably on Okinawa, where most of the US service personnel in Japan are stationed.

Affirmative role [Subhead]

A visit by Clinton to Japan was also important because Tokyo wants to see an affirmation of the role for itself as one of the leaders in the region. The photo opportunity of all the leaders of the most powerful economies lined up with Murayama is now gone, with one of the world's most significant heads of state not in the picture.

Without doubt, the hosting of the APEC Summit is important for Tokyo. Japan sees this summit as one of the ways in which it can exert itself in the economic sphere. As the London-based Financial Times put it in a tongue-in-cheek manner on Wednesday: "This is the most important meeting of Asian powers chaired by Japan since 1943 when then prime minister Admiral Tojo convened a summit of members of the Greater East Asian Co-Prosperity Sphere."

Of course, this statement, evoking memories of Japan's fascist dictatorship during World War II, is quite uncalled for. But on the other hand, it does underline the very important role Japan plays in East Asia.

In striving for success at the Osaka Summit, the Japanese have indicated that they are prepared to go a long way, particularly with regard to compromising on the issue of agriculture, which Tokyo wants to be exempted from the 2010 and 2020 APEC free trade deadlines. There is every indication now that Japan is prepared to go for the "vague" language on agriculture to be incorporated in the final Agenda for Action, much to the delight of other APEC members. This move, however, will be at the expense of the important farming constituencies, which are crucial to Japanese politics. That Tokyo is prepared to bend backwards, is in itself a good indication of how important a successful Osaka Summit is to the Japanese government.

Now there seems to be a chance that an APEC deal could be hammered out for agriculture. The Japanese have moved away quite significantly from their previous stance two months ago when they warned Australia and the US that if Tokyo was pushed too hard to open its agricultural markets, APEC could be derailed.

Besides the Japanese, the Chinese will also be disappointed that the meeting between their president, Jiang Zemin, and Clinton will not take place at the APEC summit. There is a great deal of tension between Washington and Beijing on the issue of "non-discrimination" in relation to free trade within the definitions of APEC.

MFN status [Subhead]

The non-discrimination issue basically relates to the refusal of the US to apply the Most Favoured Nation (MFN) status to China automatically, as compared to other APEC countries which would be able to enjoy favourable trading rights with America after the finalizing of the APEC Free Trade Area.

The Chinese argument is that the 1994 Bogor Declaration stated in very clear terms that membership in APEC and relations between member states should be on MFN status. So Beijing accuses the US of not fulfilling its obligations under APEC by making MFN conditional for China.

This issue was one of the many topics covered by Jiang when he met Clinton recently in New York, and was obviously going to be covered in Osaka again. So far in Japan, the senior officials of APEC nations have failed to break this impasse between Washington and Beijing, and now it will be tackled at the ministerial talks which begin today.

Leaving China aside, it now seems that APEC will not be pushed over the cliff. There is a clear statement on principle in view of trade liberalization with the draft leaders' communique agreeing to initiate the free trade process in 1997. This by itself is indeed a breakthrough.

'Interpretation' Seen as APEC Agenda Bugbear

BK1711055795 Bangkok THE NATION in English 17 Nov 95 p A5

[Report by Chirawat Na Thalang and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Osaka — Despite their agreement on the Asia Pacific Economic Cooperation (APEC) liberalization blueprint known as the Action Agenda, APEC members are expecting more problems when it comes to interpretation.

Yesterday, 18 APEC economic ministers finally endorsed the draft Action Agenda which included three contentious points; that almost derailed the APEC meeting this year.

However, officials are already foreseeing problems ahead, and several APEC members have indicated that they see the text differently and will implement the Action Agenda according to their interpretation.

The three points — comprehensiveness, comparability, and nondiscrimination have — have already been cleared up but several countries see them as "loosely and vaguely" worded, thus allowing for interpretation. The agreement on "comprehensive" came about after the introduction of "flexibility", "comparability" and "nondiscrimination".

The APEC ministers agreed to move the target year of 2010/2020 from one of nine principles in the Action Agenda to the introductory paragraph. The relocation of the timeframe means that all trade and investment liberalization measures will have to be completed by those years.

The final draft obtained by THE NATION consisted of loosely worded terms. At the press conference yesterday, a Japanese Foreign Ministry spokesman, for instance, could not say whether the "flexibility" principle would enable Japan to provide special treatment to the farm sector.

Speaking during a press conference yesterday after the meeting, Deputy Prime Minister Amnuai Wirawan accepted that the term flexibility "could lead to different interpretations".

He said APEC worked on a voluntary basis and that if its members do not feel they would benefit from it nor live up to its expectations, they could lease the umbrella. He expressed hope that "pressure from the community" would keep APEC member countries "acting in a comparable manner".

He agreed that flexibility could slow the APEC liberalization process and that APEC members "would be concerned if flexibility was used as an escape clause".

Amnuai said the meeting yesterday proceeded smoothly with a good atmosphere of cooperation. A Japanese government spokesman said the meeting finished 45 minutes earlier than scheduled.

Kopsak Chutikun, director general of the Foreign Ministry's Economic Department, said Australian Foreign Minister Gareth Evans had informed the meeting that if all the measures were implemented. APEC trade and investment liberalization and facilitation would increase the region's aggregate income by 3.8 per cent, or the equivalent of US $748 billion.

APEC ministers adopted the solution on the three sticking points, which they had taken pains to resolve over the past few days.

Charlene Barshefsky, the deputy US Trade Representative, said the "comprehensive" wording indicated that the APEC liberalization and facilitation process would be comprehensive, addressing all impediments to achieving the long-term goal of free and open trade and investment.

The APEC members have also agreed to push for the overall comparability of their trade and investment liberalization and facilitation, taking into account the general level of liberalization and facilitation already achieved by each APEC economy.

As for the nondiscrimination principle, which is directly related to the bilateral issue between the US and China, Barshefsky said the US would accept the principle only if the agreement did not violate existing US laws:

Barshefsky declined to reveal details of the nondiscrimination concept. But she stressed that "the US interpretation (on APEC's nondiscrimination principle) must be consistent with US law."

Amnuai admitted that APEC members might find problems in the wording of the action agenda. "It has so many flexible points that could lead to different interpretations," he said.

Barshefsky said the position of the US on the nondiscrimination principle was that, firstly, the most-favoured nation (MFN) clause in APEC should ensure that the US would not violate the Jackson- Vanik amendment, which requires approval from Congress on the extension of MFN status to China annually.

Secondly, she stressed that the US had long maintained that the unconditional nondiscrimination principle should not allow any "free riders".

Barshefsky did not mention any country in particular. However, the officials said the US feared that the European Union might turn out to be a free rider if the nondiscrimination principle could be exercised by non-members. The US feared that the member countries might fail to get something in return.

Joan Spero, undersecretary of state of Economic, Business and Agricultural Affairs, added that the US position on APEC was strictly adhering to the principles of the APEC's 3-C's comprehensiveness, comparability and consultation.

Spero quoted US Secretary of State Warren Christopher as saying that the Osaka meeting "may not make big headlines, but it will create a bottom line" for the future cooperation of two billion people.

The agenda of the Osaka summit is to create a vision and to implement the APEC vision to bring about open trade and investment in the region by the year 2020.

Spero said although the APEC action agenda would provide some flexibility, it was flexibility in the process, not the principle of comprehensiveness.

Conflicts Over ASEAN Free Trade Viewed

BK2111051895 Bangkok THE NATION in English 21 Nov 95 p A4

[Editorial: "Conflicting Approaches To Free Trade In Asia-Pacific"]

[FBIS Transcribed Text] The Asia-Pacific Economic Cooperation (APEC) region accounts for over half of the world's economy, just under 50 per cent of world trade and 40 per cent of the world's people. APEC was created in 1989 as a response to those realities, but it was also an attempt to shape the future growth and direction of the Asia-Pacific.

The 18 APEC leaders at their summit in Osaka on Sunday agreed on a start-up date for bringing down trade barriers and have thus reaffirmed the deadline towards achieving free trade and investment in the region.

As Australian Foreign Minister Gareth Evans put it: "The real point about this week in Osaka is that it unequivocally marks the transformation of APEC from being a consultative body to being an action body."

Action Agenda

The Action Agenda agreed upon in Osaka calls for all APEC countries to submit their action plan early next year, to agree on a region-wide action plan at the Manila summit one year from now and to begin implementing APEC liberalization in January 1997. In the Bogor Declaration last year, the 18 leaders agreed on the free trade deadlines of 2010 for industrialized economies and 2020 for other members.

There is no doubt that immense trade benefits will accrue to the Asia-Pacific and, theoretically, it will be shared by all in the region.

But many still have their reservations about worshipping at the APEC altar. Leaders like Malaysia's Prime Minister Mahathir Mohamad question whether APEC will deliver anything extraordinary, taking into account that with or without the group, economic liberalization is already taking place in the region. Fears have been expressed that peer pressure might be exerted on the more cautious economies in order for them to keep pace with the aggressive ones.

The strong US support for APEC is based on the presumption that political tensions and instability would be truly minimized in the Asia-Pacific region if all the countries there are tightly linked together economically.

But there is still a hitch. Won't APEC governments find themselves ultimately in a position where liberalization or trade facilitation can be used as bargaining chips against all other governments, resulting in an increase instead of a decrease in political tensions?

Before Australia and the US trumpet the success of the Osaka Summit, it has to be pointed out that facilitation processes towards free trade are nothing new in ASEAN under the aegis of the ASEAN Free Trade Area (AFTA). So for ASEAN, with dynamic moves being made in the arena of trade liberalization among member states, it matters little whether APEC free trade becomes a reality.

APEC Myth

The prevailing APEC myth is that tariff reductions are concessions governments give out. In fact, it is high time their true face value is appreciated. Without tariff barriers, the Asian miracles would not have come about, with the state according protection to their fledgling industries for them to compete on equal terms domestically with the influx of imports. Without doubt, tariffs are privileges that governments grant their citizens as consumers.

Though APEC leaders vowed on Sunday to forge ahead toward their dream of free trade in the world's fastest growing region and adopted a blueprint on how richer members would achieve the goal by 2010 and poorer ones a decade later, a liberal dose of ambiguity was injected in the Action Agenda.

Japan wanted it to be "flexible", Malaysia said it had to be "voluntary" and Australia wanted "a firm commitment". These conflicting approaches certainly do not augur well for APEC.

At Bogor, Indonesia, the free trade deadlines of 2010 and 2020 were set. The hardest part now is putting it into practice without any suspicions that the US and Australia have hidden agendas in mind.

Editorials View Malaysia's Firing on Trawler

BK1511161095

[FBIS Editorial Report] Two Thai-language dailies, SIAM RAT and MATICHON, carry editorials on 15 November commenting on the 6 November incident in which a Malaysian Navy vessel fired on a Thai fishing trawler for poaching in Malaysian waters and two fishermen were killed.

SIAM RAT carries a 800-word editorial on page 3 entitled: "Malaysia Fired on Thai Fishing Boat." The editorial says that Defense Minister General Chawalit Yongchaiyut has already advised Malaysia regarding the incident and had sought compensation for the families of the victims. As the two countries are good neighbors, Thailand called on Malaysia to exercise restraint in dealing with Thai fishing trawlers. Chawalit said that what happened was an excessive use of force by the Malaysian Navy, and he suggested that the issue should be discussed at the upcoming Thai-Malaysian joint committee meeting.

The editorial notes the frequent attacks on Thai fishing trawlers by Malaysia. It says that the problem has worsened since Malaysia announced an expansion of its exclusive economic zone, and Thai trawlers that fish in international waters must pass through Malaysia on their return trip to Thailand.

SIAM RAT says: "Malaysian authorities took this opportunity to intercept Thai trawlers, seizing the catch as well as their fishing equipment. This practice has already forced Thai trawlers to rent warehouses in Singapore to store their fishing equipment, a method to prevent Malaysia from claiming that Thai boats fished inside Malaysian waters."

The editorial notes that this recent firing on a Thai boat by Malaysia was not a misunderstanding; such incidents have happened many times. The fact that Malaysian authorities fired on an unarmed Thai fishing trawler that did not return fire demonstrates that they were taking advantage of Thai fishermen who lack the proper protection of the Thai Government.

The editorial says: "We agree that the problem of attacks on Thai fishing trawlers must by settled through diplomatic and peaceful means." It adds: "At the same time, we deem that it is time for Thailand to strengthen its navy and to improve its capability of patrolling national waters and of effectively protecting Thai fishing trawlers."

MATICHON carries an 800-word editorial on page 30 entitled: "Malaysian-Thai Friendship." It deplores the excessive use of force by Malaysian officials against the Thai fishing boat. It hopes that the incident will not flare up into a conflict between the two countries.

The editorial says: "If Malaysia continues to honor its friendship with Thailand, the country should review the situation and inform its officials, military and civilian, to be more lenient in handling cases of encroachment by Thai fishermen." As a gesture to demonstrate that Malaysia does not view Thailand as an enemy, the editorial asks the Malaysian Government to compensate the families of the fishermen. The editorial also does not want the incident to be flare up into a major conflict, as Thailand and Malaysia are both members of the ASEAN, whose aim is to promote economic cooperation and the social well being of the people.

MATICHON says incidents involving Thai fishing trawlers and neighboring countries are frequent. In conclusion, it says: "We in Thailand hope that our government will deal with this problem seriously and, if possible, will raise the issue on the agenda of ASEAN meetings so that the problem can be thrashed out by all countries concerned and so an agreement can be reached on how to resolve the problem and prevent further violence."

Paper on 'Negative Reputation' of Fishing Fleet

BK1611042595 Bangkok BANGKOK POST in English 15 Nov 95 p 4

[Editorial: "Fishing Dispute Shows Need To Share Resources"]

[FBIS Transcribed Text] The Thai Foreign Ministry last week summoned the Malaysian charge d'affaires to receive a protest note over the shooting attack by the Malaysian Navy on a Thai trawler in which one 14-year old crew member was killed. The ministry has demanded compensation for the relatives of the victim, claiming the incident took place in the exclusive economic zone (EEZ). The Malaysian Defence Ministry, meanwhile, defended the action of its sailors saying that they shot back after the Thai fishermen ignored their warning shots and opened fire at them first.

Despite the death of the Thai crewman, the incident is unlikely to flare up into an open conflict which will strain the good neighbourly relations between the two countries. Deputy Prime Minister Chawalit Yongchaiyut has said he would raise the incident for discussion at the forthcoming Thai-Malaysian Border Committee meeting this month.

Face-to-face talks have always been a reasonable means of settling conflicts between friendly neighbours or even between foes. But it will be pointless if the border committee only discusses the shooting incident in its limited context without seriously considering the larger scope of the issue, which is fishing in the exclusive economic zone claimed by both countries.

Fishing in the EEZ claimed by Thailand and illegal fishing in territorial waters of other countries by Thai fishermen has been and still remains a constant source of conflict between Thailand and its neighbours. According to the statistics of the Fisheries Department, a total of 199 fishing boats and 991 crew members were seized during the first nine months of this year by Burma, India, Indonesia, Bangladesh, Vietnam and Malaysia. Kuala Lumpur alone captured 63 Thai fishing boats together with 418 fishermen.

Although some Thai fishing vessels were seized while fishing in Thai territorial waters by the Vietnamese, most were known to have engaged in illegal fishing in the waters of neighbouring countries. The negative repution of Thai fishermen is as well-known as their fishing capability, so much so that overfishing in the Gulf of Thailand has virtually wiped out most of the fish stock. For the sake of survival or simply to remain in business, several fishermen successfully forged joint ventures with their foreign counterparts. Others simply stole from their neighbours in total disregard of their law.

Whether it is for the sake of survival or pure greed which has driven many Thai fishermen to engage in illegal fishing, their conduct has painted a negative light for this country. The same can be said of several greedy Thai businessmen who had fishing and logging deals in Cambodia and Burma and were eventually booted out because they were regarded as the exploiters of natural resources in those countries rather than co-partners for development.

Has the Thai private sector ever examined and asked itself why they it has failed miserably in such neighbouring countries as Burma, Cambodia and Vietnam whereas their counterparts from Singapore and Malaysia have succeeded despite their geographical disadvantage? The question arises as to why Singaporean and Malaysian businessmen are more welcome and not looked upon as exploiters when compared to the Thais, although basically they are all the same and have one common goal, which is to make profits — the more the better.

Whether it is fishing, logging or other types of business, Thai investors who want to be successful in their business ventures with neighbouring countries may have to adopt a more discreet approach. But this effort by the private sector is unlikely to succeed without the full backing of the Government. This is clearly manifested in the cases of Singapore and Malaysia whose governments have some stakes in the companies which invested in Cambodia, Burma and Vietnam.

Thai fishermen cannot expect the Government to intervene on their behalf every time they are arrested or attacked for illegal fishing in other countries' waters. Inasmuch as the Government should take the initiative to resolve conflicts with neighbouring governments through negotiations, the private sector must also change its attitude from one which is bent on exploiting the resources of its neighbours to one which is genuinely keen to utilise the resources for their development for mutual benefit.

It is high time that the Government and the private sector put their heads together because the problem confronting them is not just how to obtain resources for mutual benefits. Also at stake is Thailand's credibility and image — a factor that could stand as a stumbling block when striking resources exploitation agreements with our neighbours.

Paper Rejects 'Passive Diplomacy' Toward Burma

BK1711053195 Bangkok BAN MUANG in Thai 15 Nov 95 p 3 (Tentative)

[Editorial: "Thai-Burmese Relations"]

[FBIS Translated Text] The tense relations between Thailand and Burma have shown signs of improvement following the recent official visit to Burma by General Chawalit Yongchaiyut, deputy prime minister and defense minister. Despite this new progress, reports of border skirmishes and related problems, especially the killings of both Thai and Burmese fishermen, are still frequent.

The ways in which the Thai and Burmese Governments handle the problems are quite different, however. The Burmese Government usually is more eager than its Thai counterpart to defend the interests of Burmese citizens. For instance, the Burmese Government recently resorted to aggressive measures such as the suspension of border trade to pressure the Thai side to accept responsibility for border mishaps.

Meanwhile, it is apparent that the Thai side always tries to play down border problems and maintain that they can be settled by local officials of the two countries. The fact is that local officials have never been able to do anything and the problems are normally passed to the governments of the two countries to settle through negotiations. The closure of the border passes by the Burmese Government, which has an adverse impact on the border trade, is an example of the unproductive negotiations.

The current official visit to Thailand by the Burmese deputy prime minister is, therefore, an important event for the restoration of good relations between the two countries. This is the first visit to Thailand by a high-level official from Burma since the estrangement of Thai-Burmese ties. It is believed that the visit will help pave the way for solving the existing problems between the two countries. Burma itself has no intention to let the problems spoil relations with Thailand because it wants assistance from the latter in eliminating its negative image in the eyes of the international community.

Although the Burmese Government has numerous internal problems to deal with, the opening of the country to the outside world is also necessary. Burma must have more friends than enemies.

Henceforth, the Thai Government must clearly identify its role in helping Burma open to the world and its stand in dealing with the tense relations with Burma. These are two different things requiring different maneuvers.

Although Burma can use the development assistance provided by many foreign countries to raise its bargaining power, it still has to rely on Thailand in ASEAN and the Asian community. The Thai Government should use this to pressure the Burmese regime to come to the negotiating table at the local level to settle conflicts instead of allowing the Burmese side to treat us in an aggressive manner as in the past.

The Thai people are disappointed with the passive diplomacy employed by the government in dealing with Burma.

Burmese Team Advised on Stock Market, Tourism

BK2111043895 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 21 Nov 95 p 1

[Report by Nutsara Sawatsawang: " Burmese Keen To Tap Thailand's Business Experience"]

[FBIS Transcribed Text] Burmese policy-makers led by Deputy Prime Minister Maung Maung Khin meant business when they visited Thailand last week.

Their tour of the Stock Exchange of Thailand [SET] and the Tourism Authority of Thailand [TAT] headquarters in Bangkok was not mere sightseeing, as the Burmese ministers wanted details of how the country established its exchange.

Vice-Adm [Admiral] Maung Maung Khin's 27-member delegation, invited by Deputy Prime Minister and Defence Minister Chawalit Yongchaiyut, completed its four-day visit on Friday.

The team included Hotels and Tourism Minister Lt-Gen [Lieutenant General] Kyaw Ba, Minister of National Planning and Economic Development Brig-Gen David Abel, and deputy ministers of energy, foreign and home affairs, construction, and livestock breeding and fisheries.

Burma plans to establish a share market within two years and had declared 1996 Visit Myanmar [Burma] Year.

Vice-Adm Maung Maung Khin, a fluent speaker of English, was an avid questioner during an hour-long briefing at the exchange, according to SET spokesman and senior vice-president Chaiphat Sahasakun.

"He seemed very keen to know about our experiences when the SET was established 20 years ago and about the state's role in supervising the exchange," the spokesman said.

Given different circumstances each country has its own way of handling a stock exchange, he said, citing China and Poland which computerised their markets from the beginning.

"These so-called emerging countries have the advantage of an array of choices from which they can pick the best options," he told the Burmese.

Daiwa Securities Co is helping Burma to establish its exchange. Apart from helping Rangoon to draft a security exchange law, Japan's second-largest brokerage house is helping with privatisation of state enterprises and development of a capital market.

Daiwa plans to set up a joint representative house for brokers by the end of December.

Chaiwat said the most important feature for any country moving to a market economy was to have laws on securities, public companies and privatisation of state-owned firms. Shares in state enterprises would probably be the first stocks listed.

Burma has essential laws in place since the period of British rule, including the Special Company Act for registering listed public companies.

Delegates also heard of the errors, successes and pitfalls Thailand has experienced in tourism which has long been a main source of foreign exchange.

Burma expects 500,000 foreign tourists next year, but has only 12,000 hotel rooms nationwide.

Vice-Adm Maung Maung Khin and Lt-Gen Kyaw Ba asked tourism authority officials about immigration control aspects such as procedures for issuing visas on arrival.

Other delegates asked how immigration officers dealt with long queues at airports and about countries with which Thailand has visa exemption agreements.

Visitors to Burma from countries which have no Burmese diplomats need written permission in advance from the Hotels and Tourism Ministry to obtain visas on arrival.

Lt-Gen Kyaw Ba was interested in the authority's budget for promotion and marketing abroad.

The TAT and the SET offered to share their expertise with Burma.

SET president Seri Chintanaseri recently offered to sponsor training programmes in Bangkok for officials of Burma's Ministry of National Planning and Economic Development, Ministry of Finance and Revenue, and the Central Bank.

TAT deputy governor for planning and development Pradet Phayakwichian urged Burma to sign an agreement on tourism enabling Thailand to help Rangoon plan and market its tourism industry and train its personnel.

Business 'Road Map' Signed With Japan Investors

BK1811100495 Bangkok BANGKOK POST in English 18 Nov 95 p 17

[Report Somphon Thapanachai, Wichit Sirithawiphon, and Nusara Thaitahwat]

[FBIS Transcribed Text] Osaka — Private-sector leaders from Thailand and the Japanese region of Kansai yesterday signed a cooperation agreement laying out a road map for both sides on future business deals.

The Japanese side was represented by Tetsuro Kawakami, chairman of the Kansai Economic Federation (Kankeiren), Kansai region's business organisation.

Phothiphong Lamsam, meanwhile, signed on behalf of Thailand's Joint Standing Committee on Commerce, Industry and Banking.

Prime Minister Banhan Sinlapa-acha, in Osaka for the APEC [Asia-Pacific Economic Cooperation] summit, witnessed the agreement signing ceremony.

Kansai is a major economic area located on the main island of Honshu with Osaka as its centre.

The Agreement of Cooperation is a short four-point document, calling for the establishment of an information network system to exchange information on local and national economic trends, business and economic development.

The document also calls for cooperation to promote trade, investment, business tie-ups and trade missions.

Mr Kawakami said the agreement would mean a closer relationship between the private sectors in Japan and Thailand, with Thailand also acting as a gateway to Indochina.

Kankeiren last year sent a mission to Thailand, Malaysia Singapore and Indonesia and will visit Vietnam, Burma and Southern China next year.

Mr Phothiphong added that the business relationship between Thailand and Japan touched on every sector of trade and industry.

The agreement signing marked the first time that the private sectors from both countries have signed a cooperation agreement on a regional level.

Thailand and Japan have an agreement on the national level with the Japanese Federation of Economic Organisation (Keidanren) and on a city level with the Osaka Chamber of Commerce.

According to Kankeiren, it's combined Gross Regional Product is US$633 billion, the seventh largest GDP in the world if it were viewed as a separate country.

Kansai is made up six provinces — Kyoto, Osaka, Hyogo, Shiga, Nara, and Wakayama and has a population of 20 million. The economy of Kansai has historically been dominated by manufacturing, particularly textiles, iron and steel.

Now, however, Kansai-based companies such as Matsushita Electric, Sanyo Electric, Sharp, Kyocera and Nintendo are focusing on technological innovation in electronics and software.

In 1994, almost half of Kansai's imports were from Asian countries and nearly half of its exports went to Asian nations.

Kansai's exports to Thailand in 1994 were valued at 380 billion yen, with imports reaching 219 billion yen.

Board of Trade of Thailand executive director Prayun Thaloengsi said both sides would meet soon to discuss details of their cooperation.

He said the Thai side wanted Kankeiren to promote investment in small and medium-sized industries in Thailand as well as to assist in human resource development.

Meanwhile, the president of the Thai Bankers Association Som Chatusiphithak, said Thai private and government sectors should work together to try to get the Japanese markets to open in specific sectors.

The Export Promotion Development Committee should take the lead in reducing barriers to Thai exports, he said.

He predicted that the third wave of Japanese investment would enter Southeast Asia soon, but said Thailand would have to work hard to make sure it was not mainly directed to Malaysia and Indonesia.

Police Put on Alert at 'Muslim Embassies'

BK2111063595 Bangkok THAILAND TIMES in English 21 Nov 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok: Security measures have been beefed up at all Muslim embassies in Thailand, particularly the Egyptian and Pakistan embassies, after an explosion at the Egyptian embassy in Islamabad on Sunday, police said.

Police Special Branch Division Commander Pol Maj Gen [Police Major General] Phat Chaksurak said yesterday that the number of officers patrolling the embassies would be increased to assure the security of all Muslim embassies.

At the same time, intelligence officers will cooperate with local police to closely monitor movement of Islamic groups in Thailand, Phat said.

Security has also been intensified in preparation for the ASEAN Summit hosted by Thailand next month.

During the summit, about 1,000 police officers will be assigned to protect the Asian leaders attending the conference, Phat said.

Phat added that police officers are also on the alert for possible violence against Indonesia due to the mass slaughter of Eastern Timorese on November 12.

Security reinforcements at Muslim embassies followed an incident on Sunday in which a carbomb killed at least 15 people and seriously injured 60 more at the Egyptian embassy in Pakistan.

The attack is believed to have been an expression of dissatisfaction with the Egyptian government who has close ties with the US, Israel and the West.

Pakistan has recently expelled several Egyptian nationals who were believed to be involved in militant Islamic groups trying to overthrow Egyptian President Hosni Mubarak.

Meanwhile, Egyptian sources told Agence France Presse yesterday that "International Justice Group [IJG]", one of the three Islamic militant groups which claimed responsible for the embassy bomb, is the most likely bomber.

According to the sources, the group was the only organization to claim the killing (a week ago) of Egypt's trade representative in Geneva.

The IJG claimed Sunday's bombing in a fax to an international news agency. The Jamaa Islamiyya and al-Jihad, the two main groups spearheading militant violence in Egypt, also took credit for the attack, which killed 15 and injured 60.

But the security source discounted the Jihad claim, saying the group "is no longer present in Pakistan or in Afghanistan, unlike the Jamaa."

'Dilemma' Facing Banhan Over Cabinet Reshuffle

BK1611063395 Bangkok THE NATION in English 16 Nov 95 p A6

[Report by Rattanawali Mahaphonsirikun, Nutchari Kanphondi, and Thaniya Phiraphong: "Does Prime Minister Banhan Really Have a Way Out"]

[FBIS Transcribed Text] Against a background of a showdown between the Banhan coalition and its critics over whether a Cabinet reshuffle is indeed warranted, a question emerges as to whether a shake-up will really make a difference.

Observers see a worsening dilemma for Prime Minister Banhan Sinlapa-acha: A reshuffle that would effectively pacify critics requires drastic action — major changes at the Finance Ministry and the removal of certain powerful politicians with image problems — a scenario which would only deepen problems within the Chat Thai Party.

Even if troublesome elements in Chat Thai agree to a revamp, Banhan faces another problem: He does not really have any better alternatives to replace those much-criticized ministers.

"The government is reaching a dead-end," said former Democrat leader Phichai Rattakun. "Pressure will continue to mount for a Cabinet reshuffle, but a reshuffle will only create more problems. First, those who lose their power will rock the boat and, secondly, criticism will proliferate if the reshuffle draws another 'yuck' from the people."

Many analysts believe Banhan wants to prolong the present status quo as long as possible no matter how vocal public criticism is. To the prime minister, outside pressure is largely abstract while problems that would emerge after a large-scale shake-up are frighteningly real.

Even without a reshuffle, Banhan already has Narong Wongwan and Watthana Atsawahem, both facing US drug allegations, lurk in the shadows with the possibility of turning into an immediate threat at any moment. The prime minister obviously does not want to extend the list of disgruntled members with men like Deputy Interior Minister Newin Chitchop, Deputy Interior Minister Suchat Tancharoen and Deputy Commerce Minister Phairot Suwanchawi.

The chance of Banhan reshuffling the Cabinet, before the Budget Bill goes through its final reading in Parliament in early December, is nil. Heavily criticized Finance Minister Surakiat Sathianthai and Newin have had a significant role to play in the current scrutiny of the bill, making dropping them now impossible.

Parliament reconvenes its ordinary session in March. If Banhan does dare to carry out a dramatic reshuffle after the Budget Bill's passage, he would have considerable time to attempt to keep his house in order. But will he take that risk? The Thoet Thai faction which is holding key government posts is much hated, yet too powerful. Transferring Newin, Phairot or Suchat to other posts could just mean relocating the problems, but neutralizing them completely means political suicide.

"If a reshuffle takes place at all, it will mean a new round of cake-sharing, and the prime minister will again try to please every group," said Democrat Alongkon Phonbut. "I think whatever the Thoet Thai's quota now will remain the Thoet Thai's quota then. I don't believe Prime Minister Banhan has the guts to make a cross-faction revamp as it would be very dangerous for him."

But another Democrat, Charoen Khanthawong, asked Banhan to realize the long-term danger if he puts political expedience above public feeling. The Bangkok MP said although calls for change have come mainly from the middle classes, the government cannot be complacent. There are qualified people in Chat Thai, he noted, such as Burin Hiranburana and Decha Sukharom, who could join the Cabinet and improve its image.

"The Thanom and Suchinda governments are example of how an administrations rejected by the middle class can end up," Charoen said.

The crisis of confidence has reached a point where people have been overwhelmed by prejudice and are shrugging off any achievement by the government, he noted. "The public just can't swallow this Cabinet. The government can hold 10 more press conferences on its accomplishments but that still wouldn't work," he said.

The coalition may consider that an overstatement. There have not been any corruption scandals, and farmers are relatively happy with the price of their produce. To Banhan, the anti-government sentiment is just mass hysteria of the middle classes who listen to too much to the biased news media.

But feelings in the private sector have been ominously reflected by the stock index. Yesterday's suicide attempt by a near bankrupt investor at the securities market simply underlined the mood of a sector of society which the government has said did not represent the entire nation.

In an era of businessmen virtually running the country's economy, a good government may simply be one which promotes confidence through political stability while providing supervisory guidelines and charting directions. The lack of confidence in the Banhan administration is caused by the concern that "rural politicians" were running this increasingly complex country.

The Chat Thai Party's political base is in the provinces, but the party is being monitored by well-educated middle-class people who find, for instance, the Buri Ram vote-buying case intolerable.

"In this highly competitive world, the middle class want a government which looks clean and sophisticated," said academic Somkiat Phongphaibun. "They don't want to see influential provincial bosses running the country."

The analysis only confirms the Catch-22 facing Banhan. With all the human resources he has, how can he reshuffle the Cabinet in a way that pleases sophisticated critics? If he wants to give key portfolios to qualified outsiders, where should he place those "provincial bosses" who have enough parliamentary power to shake the coalition?

Which brings us to another question: Does Banhan have any choice?

Government Announces Measures To Support SET

BK1711055495 Bangkok THE NATION in English 17 Nov 95 p A1

[Report by Sasithon Ongdi and Suphaphonchangcharoen]

[FBIS Transcribed Text] The government announced a package of support measures for the Stock Exchange of Thailand [SET] and small investors yesterday in a last ditch effort to avert a crisis in the capital market.

The measures cover a massive cash injection into the securities and finance companies to refinance the terms of the existing margin loans to stock investors. New loans for securities investments will come under more relaxed terms and under a more prudent collateral placement system.

The initial margin for new securities trading loans will also be reduced to 30 per cent from 40 per cent.

"The timing is right for these measures. Our decision was made jointly without political interference," stressed Ekkamon Kiriwat, secretary general of the Securities and Exchange Commission.

Ekkamon joined Finance Minister Surakiat Sathianthai, Bank of Thailand Governor Wichit Suphinit, Association of Securities Companies President Wicharat Wichitwathakan, SET President Seri Chintanaseri, Fiscal Policy Office Director General Somchai Ruchupan, and Permanent Secretary for Finance M.R. Chatumongkhon Sonakun in a four-hour meeting yesterday.

Sirin Nimmanhemin, president of Krung Thai Bank, was also present as well as Chatsiri Sophonphanit, president of Bangkok Bank, and Bangkok Bank's Executive Vice Chairman Damrong Kritsanamara.

The meeting was a continuation of an earlier session on Wednesday night which finished at 2.30 yesterday morning. Ekkamon denied that the measures agreed to yesterday were in response to a dramatic attempted suicide by a disgruntled stock investor on Wednesday.

The SET index yesterday fell 0.47 points to 1174.62 on thin volume of Bt[baht]2.8 billion as the market awaited news of the rescue package, which was announced by Surakiat at a press conference after the exchange had closed for the day.

The package is divided into three areas based on Bt30-billion fund to be supplied by the Bank of Thailand and the Government Savings Bank. It will be lent to finance and securities companies through Krung Thai Bank. The specific purposes are:

— Bt20 billion for the investors to open new margin loan accounts to buy shares in which brokers must place promissory notes or cash equivalent to 30 per cent of the total stock investment on behalf of their customers. The interest rate will be 10 per cent. The term is six months, from Nov 20.

— Bt10 billion for the investors hit by forced sales and call margin requirements (where they must bring the cash ratio back to 40:60 if the stock value falls to 25 per cent of the original) registered before Nov 20. The cash will be given to brokers to allow these two groups of investors to extend their loan repayments by three years with an interest rate of 10 per cent.

— The initial margin for new accounts will be reduced from 40 per cent to 30 per cent. This means that the initial cash placement for securities trading is reduced to 30 per cent of the total stock investment capability.

The authorities have retained the overall maintenance margin system despite the demand for its abolition by a group of small investors.

Ekkamon said the measures are timely although he admitted that authorities had previously resisted changing the initial margin. "The situation is now different, based on an overall consideration of the money and capital markets."

He said there was a need to mobilize funds to support the market to prevent any negative impact on the primary market and the economy.

Wichit, the central bank governor, said the lowered initial margin would not put pressure on inflation as the new facility covers only new accounts and the demand will not be high given the prevailing stock market conditions.

Sirin, president of Krung Thai Bank, said his bank will announce a list of stocks on Monday which will cover those the Bt30-billion credit line could be used against. They will be stocks with relatively strong fundamentals to minimize risks to the bank which is the lender to finance and securities companies.

He said the interest rate to be charged to brokers will be 9.5 per cent.

Stock Exchange Step Fails To Inspire Investors

BK2111055695 Bangkok BUSINESS DAY in English 21 Nov 95 p 4

[Editorial: "SET's Loan Fund Misses Foreign Investor Target"]

[FBIS Transcribed Text] Most observers agree that the downtrend in the Stock Exchange of Thailand (SET) is caused primarily by the fact that foreign investors have been net sellers for some time. It would appear, therefore, that the solution lies not in creating more domestic demand, but in reversing the outflow of foreign funds.

There are various hypotheses on why foreign investors are finding the SET less attractive than in the past. Some would argue that political instability and a lack of credible economic leadership are to blame. Others say inflationary trends coupled with an alarming increase in the current account deficit are a powerful combination of negative forces. Still others point to better investment opportunities elsewhere, particularly on the New York Stock Exchange.

Whichever combination of reasons one chooses, or whatever one believes are the true causes of the SET's downturn, one thing is clear: the decision by the financial authorities to set up a 30 billion baht loan fund to help breathe new life into the SET fails to address any of these widely held hypotheses.

The political system isn't any more stable for having put 30 billion baht of public funds at risk. And as for Government credibility, far more harm than good has been done, internationally and domestically, because the liquidity-injecting measure is a blatant attempt at market manipulation.

And if one prefers to see inflation and current account deficit as the causes of the SET's doldrums, then the 30 billion baht leveraged injection of funds, targeted towards speculative rather than productive uses, is the epitome of inflationary spending. Foreign investors have just been given a very good reason to flee the scene.

The Government needs to buy time to ensure its survival, and it has just tried to do so with this latest measure. It remains to be seen, however, how much time has been bought. If the major reasons why the SET has been on a downward trend have not changed, then the day of reckoning, when the prices of stocks will continue to fall, cannot be far off. Those stocks will include those that were put up as loan collateral.

The consequences of defaults by highly leveraged investors six months to a year from now are not pleasant to contemplate.

There are, of course, predictions that the stock market will turn around early next year. The truth is that these predictions are guesses at best, and if the predictor happens to be the Minister of Finance, then one can safely assume that the statements are meant not so much as a forecast but as a form of persuasion.

Just about the only certainty we can look forward to is that brokers and sub-brokers stand to earn more commission revenue both when investors use margin loans to leverage their purchases, and when they sell the shares, profitably or otherwise. Thus it would seem that the real purpose of the measure is not to rescue small investors, but to generate revenue for brokers and sub-brokers.

Official Discusses Need for Nuclear Energy

BK1911154695 Bangkok THE SUNDAY NATION in English 19 Nov 95 p B2

[Interview with Subin Panyamak, director of Electricity Generating Authority of Thailand's Public Relations Department, by Satchunit Phonphong — place, date not given]

[FBIS Transcribed Text] [Satchunit] When was the idea to build a nuclear reactor first raised for discussion in this country?

[Subin] The first feasibility study on the construction of a nuclear reactor to produce electricity was broached in 1965. Governments since then have studied the plan, but it has invariably been shelved because of opposition from some members of the public. However, there have always been some on-going studies (of the matter) just in case.

[Satchunit] Opponents of the proposal to build a nuclear reactor in this country say we don't really need it because we have other alternative fuels for the production of electricity.

[Subin] I believe we cannot keep postponing building a nuclear reactor forever. Eventually, Thailand will have to seriously consider nuclear power as an important option because we are exhausting our natural resources which are being used to generate electricity.

For example, hydro-electricity has no future because we are running out of viable locations for building hydro-electric dams. Available lignite sources are also dwindling fast, and we do not have enough petroleum gas in the Gulf of Thailand to meet increasing demands.

[Satchunit] What is the situation in Thailand concerning energy consumption and the ability to meet that need?

[Subin] At present, we have the options to use more coal as fuel to generate electricity, buy more natural gas from other countries, or buy electricity from neighbouring countries. At the moments everything looks like we can continue what we have been doing to produce electricity and not think too much about nuclear energy. But economic considerations, such as how to produce electricity cheaply and whether Thailand wants to become fully self-reliant in power generation, will become issues sooner or later. Nuclear energy will become a more attractive option when the time comes.

[Satchunit] But what about the most effective argument of anti- nuclear activists — the possibility of another radiation disaster like the 1986 Chernobyl disaster happening in Thailand if we decide to introduce nuclear energy?

[Subin] With Chernobyl we're talking about ageing technology of over 25 years ago when the plant was built. The nuclear technology for reactors has come a long way since then. Today's technology incorporates very high standard in terms of safety measures and environmental protection.

[Satchunit] What will be indications of Thailand's preparedness for the introduction of nuclear energy?

[Subin] The most important is public acceptance, and then the preparations in terms of qualified personnel to man the nuclear reactors as well as to monitor their possible effects on the environment to ensure safety. We continually update our feasibility study. If the government decides to go ahead with a nuclear reactor project, we will be ready to supply relevant information on how to go about implementing it. But I don't think a nuclear reactor project can be carried out in the near future — definitely not in the next five years.

[Satchunit] What are the advantages of introducing nuclear energy in Thailand?

[Subin] The most obvious advantage is that it will make Thailand self-reliant in energy production overnight. Now we are using hydro power, natural gas, lignite and oil to generate power. We have too few hydro-electric dams which are not producing much power. We have lignite but it is polluting the environment. At the same time the demand for electricity is rising steadily every year. The question is: how do we keep up with the demand? What we do is buy more natural gas and coal from other countries, which inevitably makes Thailand more and more dependent on other countries.

[Satchunit] Some environmentalists argue that Thailand does not really need nuclear energy because we can always turn to other alternative fuel sources for power generation.

[Subin] Yes we can always put off building nuclear reactors if and when we are fortunate enough to discover large quantities of petroleum oil or natural gas. Whether or not members of the public like it, it's worth investigating the huge advantages nuclear energy gives to many countries around the world, particularly in Japan and the most advanced countries in the West.

[Satchunit] Can we produce significantly cheaper power with a nuclear reactor?

[Subin] A nuclear reactor is not the cheapest way to generate electricity. But it is one of the cheapest ways. For example, it now costs about 60 satang to produce one unit of power by a hydro- electric dam, and 90 satang to generate a unit of power by a thermal plant using lignite or natural gas. Using gasoline as the main energy source costs Bt[Thai baht] 1 a unit, and using diesel oil costs Bt5 per unit of power. With a nuclear reactor, the cost would be less than Bt1 per unit, and we could also guarantee long-term price stability for electricity. Last year, we burned about Bt60 billion worth of petrol and diesel oil.

Vietnam

Minister Views Expanding Cooperation With Iran

LD1811145495 Tehran IRNA in English 1424 GMT 18 Nov 95

[FBIS Transcribed Text] Kuala Lumpur, Nov. 18, IRNA — Vietnamese Minister of Agriculture and Food Industry, Nguyen Cong Tan, in Hanoi on Saturday voiced his country's readiness to expand industrial, commercial and agricultural cooperation with the Islamic Republic of Iran.

Nguyen Cong Tan who is also Vietnamese co-chairman of Iran-Vietnam Joint Economic Commission made the remark in a meeting with Iran's ambassador to Hanoi, Kamal Sajjadi.

The ambassador told IRNA after the meeting that promotion of bilateral relations as well as ways to implement the letter of understanding reached between the two countries during the first session of joint economic commission, were discussed. He added that bilateral agreements reached during President Akbar Hashemi-Rafsanjani's visit to Hanoi in October were also reviewed in the meeting. During the president's visit, the Islamic Republic of Iran expressed readiness to establish cement, tea processing and asphalt factories in Vietnam. Iran also declared its readiness to participate in rubber farming and processng of natural rubber into tyres in that country.

For his part, the Vietnamese minister said that his country is for Iranian companies beginning their activities in Vietnam.

The volume of trade between Iran and Vietnam has been growing since establishment of political relations between the two countries in 1973. The volume of bilateral trade last year reached dlrs. 70 million.

Phan Van Khai Meets IMF, World Bank Groups

BK1711104395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Nov 95

[FBIS Translated Text] On 16 November afternoon, Deputy Prime Minister Phan Van Khai received the IMF delegation led by Dr. John Dodsworth and the World Bank delegation led by Dr. David Dolun at the Government Office.

Dr. Dodsworth and Dr. Dolun briefed Prime Minister Phan Van Khai on their working visit with responsible Vietnamese organs. They highly evaluated Vietnam's important achievements in 1995 in maintaining a high economic growth rate, keeping inflation at the projected rate, and accelerating exports. They also offered some suggestions on economic, financial, monetary, and commercial policies and measures for the Vietnamese Government to consider and adopt to reach outlined targets for 1996.

Deputy Prime Minister Phan Van Khai thanked the IMF and the World Bank for their important assistance in the development of Vietnam's economy in the past. He welcomed their suggestions on monetary and other issues to the Vietnamese Government. He also presented some major Vietnamese policies on finance, inflation, tax, and imports in 1996 to reach targets approved by the National Assembly.

The deputy prime minister suggested the IMF and the World Bank to continue granting loans so that Vietnam can carry out its first and second economic restructuring measures.

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